



Australian  
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# NEWS RELEASE

## ACCC CLEARS ELGAS ACQUISITION OF KLEENHEAT EAST-COAST LPG BUSINESS, SUBJECT TO DIVESTITURES

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The Australian Competition and Consumer Commission will not oppose Elgas acquiring Kleenheat's east-coast LPG business after accepting court-enforceable undertakings. Kleenheat is owned by Wesfarmers Limited (ASX:WES).

Elgas has undertaken to divest parts of Kleenheat's business in New South Wales, Victoria, and the ACT, to Renegade Gas and Origin. Kleenheat has undertaken to carry out a number of supporting actions to enable the divestitures to occur.

"The ACCC was concerned that the proposed acquisition in its original form would have reduced competition in cylinder and bulk LPG markets, particularly given the overlap between Elgas and Kleenheat in New South Wales, Victoria and the ACT," ACCC Chairman Rod Sims said.

Following an extensive review which included forensic financial analysis, the ACCC found that Kleenheat would be likely to cease trading in the eastern states if the sale to Elgas did not proceed. If that occurred, the ACCC considered that Kleenheat's customers and assets would become contestable, but with many of the customers likely to be acquired by Elgas.

"The divestiture will enhance Renegade's and Origin's abilities to compete against Elgas both at a local level and on a state-wide basis," Mr Sims said. "The divestiture expands the reach of Renegade, which trades as Supagas, and Origin into regional areas where they now have no or limited presence."

The main focus of the merger investigation was on markets for non-automotive LPG sold in cylinders and in bulk. Non-automotive LPG has a variety of end uses, including in residential, commercial and industrial applications.

Elgas Limited is a member of the BOC Group of companies, owned by international gases and engineering company the Linde Group.

The ACCC will publish a public competition assessment providing an explanation for its view in due course. Further information is available on the [public register](#).