



Application Pursuant to Section 81 of the Independent Consumer & Competition Commission Act of 2002 for Clearance for a Business Acquisition Under Section 69, to Acquire Assets or Shares in a Business

Trans Wonderland Limited

May 2025



“A unique opportunity to acquire a leading integrated business park, logistics hub and oil and gas supply base in Papua New Guinea”





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1. Introduction

Trans Wonderland Limited (TWL) is seeking ICCC Clearance for the 100% acquisition of Avenell Engineering System Limited and Alfa Limited (collectively referred to as 'AES', the 'Target Company', or 'Target Companies' herein), and all its underlying assets which comprise its business park, port, and camp.

Relevantly, TWL provides end-to-end multi-modal logistics services that ensures project cargo, fuel supplies or general cargo is delivered to its destination. Predominately this is achieved by way of services carried out by its fleet of heavy vehicles. TWL also has three other joint ventures, which for each, TWL owns a 50% shareholding interest. These businesses provide services such as tug and barge operations, heavy lifting crane services, fuel distribution, freight forwarding, and aerial mapping.

By contrast, the AES port facility is predominantly a project cargo port, mostly non-containerised cargo, used by coastal (or domestic) shipping operators such as [REDACTED]

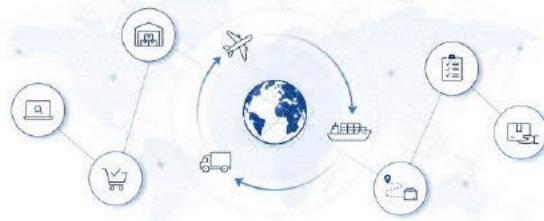
[REDACTED], to name a few. Other users are primarily coastal "project" cargo, (i.e., servicing a particular location or project, such as the Ok Tedi mine or the Papua LNG project). AES also boasts warehousing, office, and accommodation facilities on-site, which are typically used by those customers who rely on the AES port for the services they provide.

This application seeks ICCC Clearance on the premise that the 100% share acquisition of AES by TWL will not have, and will not be likely to have, the effect of substantially lessening competition in port services for coastal shipping in Port Moresby.

We say this for the below reasons:

- 1. The port sector exhibits low levels of competition, particularly in the international market:**
Despite there being a large number of privately run ports throughout the country (principally focussed around extractive industries and/or integrated into a specific company's operations), [REDACTED]
[REDACTED]
[REDACTED];
- 2. Customers have high levels of countervailing power:** All of the customers of the Target Company are substantial and sophisticated businesses in a dynamic market who have significant countervailing power;
3. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 4. The barriers to entry and expansion are low:** There are already new developments being constructed in Port Moresby, similar to the AES facility; in 2024, Steamships commenced construction of its new large scale mixed-use development which will be managed by its property division, Pacific Palms Property. Spanning a site area of approximately 38-hectares, Steamships' Portside Business Park is located adjacent to the Motukea International Terminal and on the energy corridor to the LNG Plant. This mixed-use business park development will offer an end-to-end logistics solution with warehouses, hardstand yards, offices, retail outlets and a residential compound. In due course, additional facilities will be added, including a hotel.

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2. Parties to the Proposed Acquisition

2.1 Applicant

Name Trans Wonderland Limited (I-47261)

Address Portion 208, 2Mile, Okuk Highway
PO Box 4270 Lae, Morobe Province
Papua New Guinea

2.2 Applicant Contact Person

Name Larry Andagali

Position Group Managing Director

Telephone +675 7135 2981

Email larry.andagali@twl.com.pg

2.3 Description of Applicant's Business Activities

Overview

TWL provides end-to-end multi-modal logistics services that ensures project cargo, fuel supplies or general cargo is delivered to its destination in the most cost-effective seamless manner.

TWL was established in June 2009 as one of PNG's largest landowner companies, with operations commencing in 2009. TWL's founding contract was a US\$192 million transportation undertaking for ExxonMobil on the PNG LNG project. Since that time TWL has grown to be one of the leading companies in PNG with a growing number of corporate partnerships, and an increasingly diverse portfolio of projects.

Today, TWL provides logistics solutions across road transportation, marine logistics¹, heavy crane lifting, fuel supply and distribution, and aerial mapping.

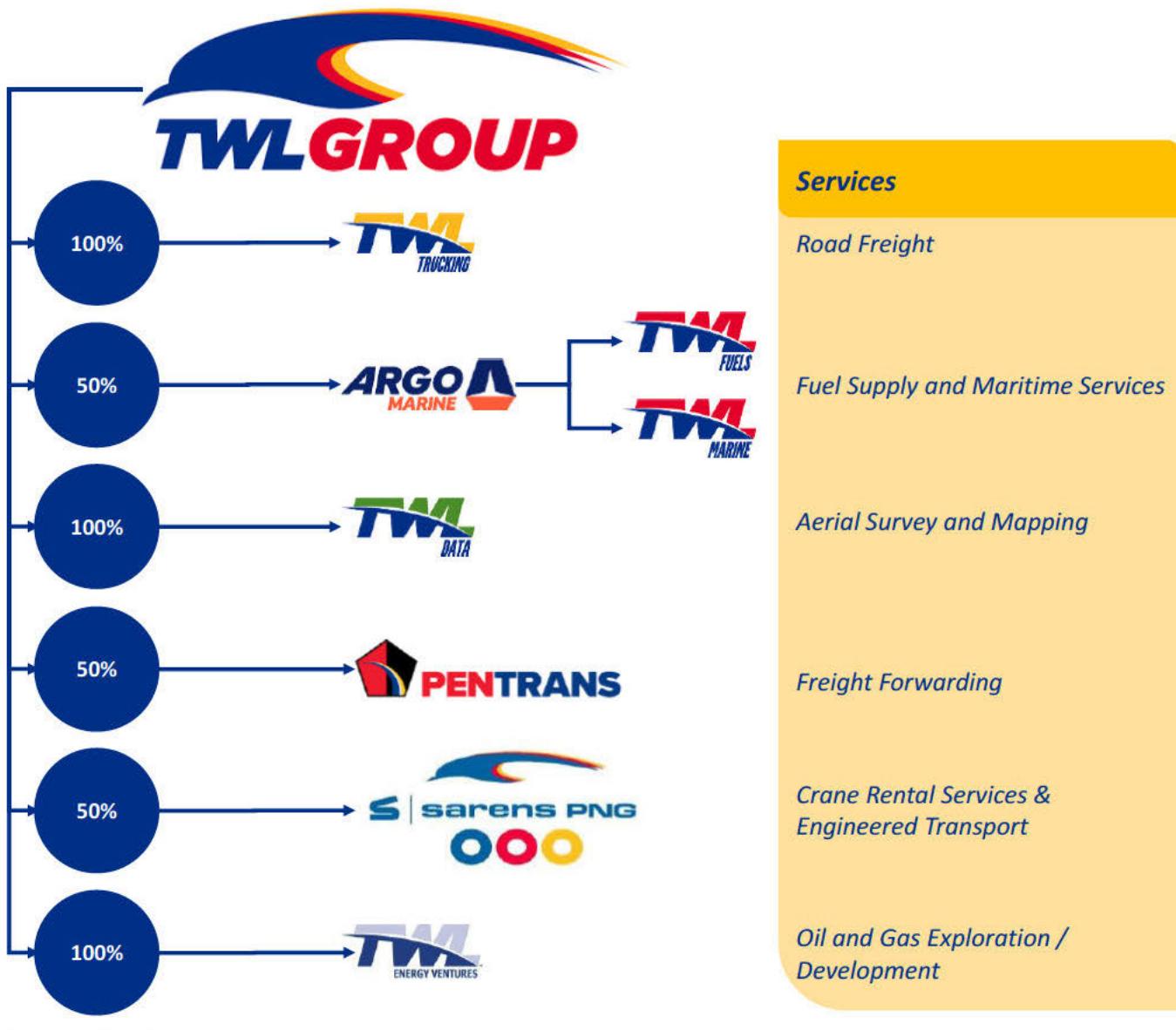
TWL's main clientele operate in oil and gas, mining, defence, and surveying industries.

The image overleaf provides an overview of the TWL Group, while specifically highlighting trucking capabilities available to support LNG projects in Papua New Guinea.

¹ [REDACTED]



Image 1: TWL Group and its Subsidiary Companies



Group History

TWL commenced operations on 12 June 2009 with its founding contract - a US\$192 million transportation undertaking for ExxonMobil on the PNG LNG project. The contract required TWL to coordinate logistics and transport on the Northern route to deliver more than 26,000 loads over the 800 kilometres of the Highlands Highway with a fleet in excess of 600 vehicles, including its own vehicles and those owned privately and by other landowner companies.

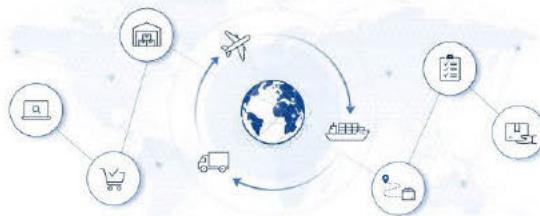
Today, TWL boasts more than 10,000 shareholders comprising clans and ILGs across 4 provinces, 9 ethnic groups, 7 Petroleum Development Licences (PDLs) and 28 landowner companies.

There are approximately 700 employees across the group.

TWL is a significant integrated transportation and logistics firm. Since 2010, TWL has steadily expanded its platform trucking business with a diverse fleet and workshop facilities with the vision of building an integrated and sustainable logistics company beyond the oil and gas sector.

Though culturally diverse, TWL through strong leadership and corporate governance, ventured into aerial

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



mapping with TWL Data in 2014 and in 2019 deepened its logistics capabilities through a 50% equity acquisition of Pacific Project Logistics, initially rebranded TWL Logistics and now known as Argo Marine.²

In 2022, TWL partnered with Pentagon Freight services to form PenTrans with access to over 80 countries. Also in 2022, TWL partnered with Belgium based Sarens - the world's largest privately-owned heavy lifting company to form Sarens PNG.

Having evolved into an integrated transportation and logistics company, at the end of 2022 TWL entered the oil and gas industry with the acquisition of Arran Energy Pty Ltd, a privately owned Australian upstream Company through its subsidiary, TWL Energy Ventures. TWL Energy Ventures (TWL-EV) is the first Papua New Guinea landowner-owned company to directly lead and participate in the upstream oil and gas business in PNG.

TWL undergoes recurring annual audited accounts and has returned over PGK 17.8 million back to shareholders by way of dividend payments since 2009.

Image 2: Timeline of Acquisitions and/or Joint Ventures



History of TWL Trucking

Under the astute leadership of Managing Director Larry Andagali, TWL has grown to be one of PNG's major transportation and logistics companies.

TWL's founding contract was a US\$192 million transportation undertaking in 2010 for ExxonMobil on the PNG LNG project. The contract required TWL to coordinate logistics and transport on the Northern route to deliver more than 26,000 loads over the 800 kilometres of the Highlands Highway with a fleet in excess of 600 vehicles, including its own vehicles and those owned privately and by other landowner companies. TWL's skilful development and coordination of the transport fleet, whilst managing the time-pressured requirements of major petroleum owners and international logistics companies, served as its breakthrough into bigger development contracts.

TWL's platform trucking business has undertaken consistent growth in the decade since successfully completing that project, and now encompasses a large fleet of diverse equipment supported by depot workshops in Lae, Mt Hagen, Moro, Tari, and Port Moresby.

Built on Integration and Collaboration

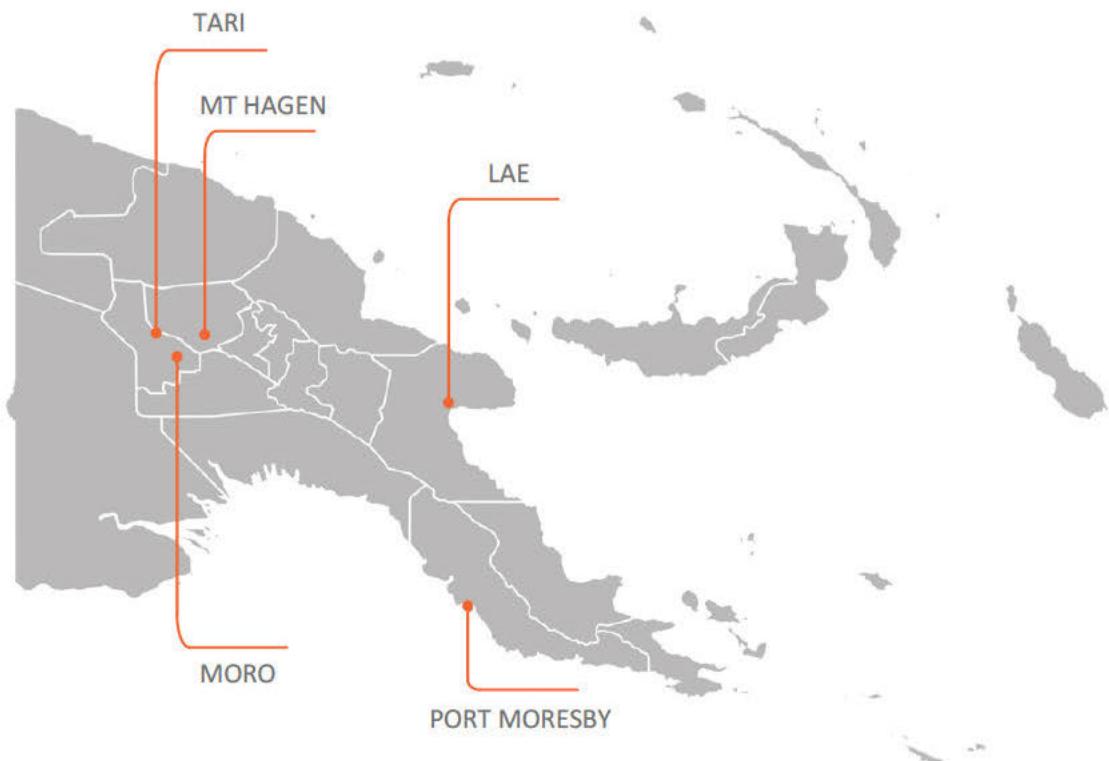
²



TWL Trucking maintains the listed current fleet through its extensive workshop network, with additional new fleet being sourced as part of its ongoing development and expansion.

The fleet consists of prime movers, twin steers, rigid, aircraft refuellers, light duty cranes, forklifts, reach stackers, flat bed/step deck/air ride and float trailers along with a variety of light vehicles to provide escort and support services.

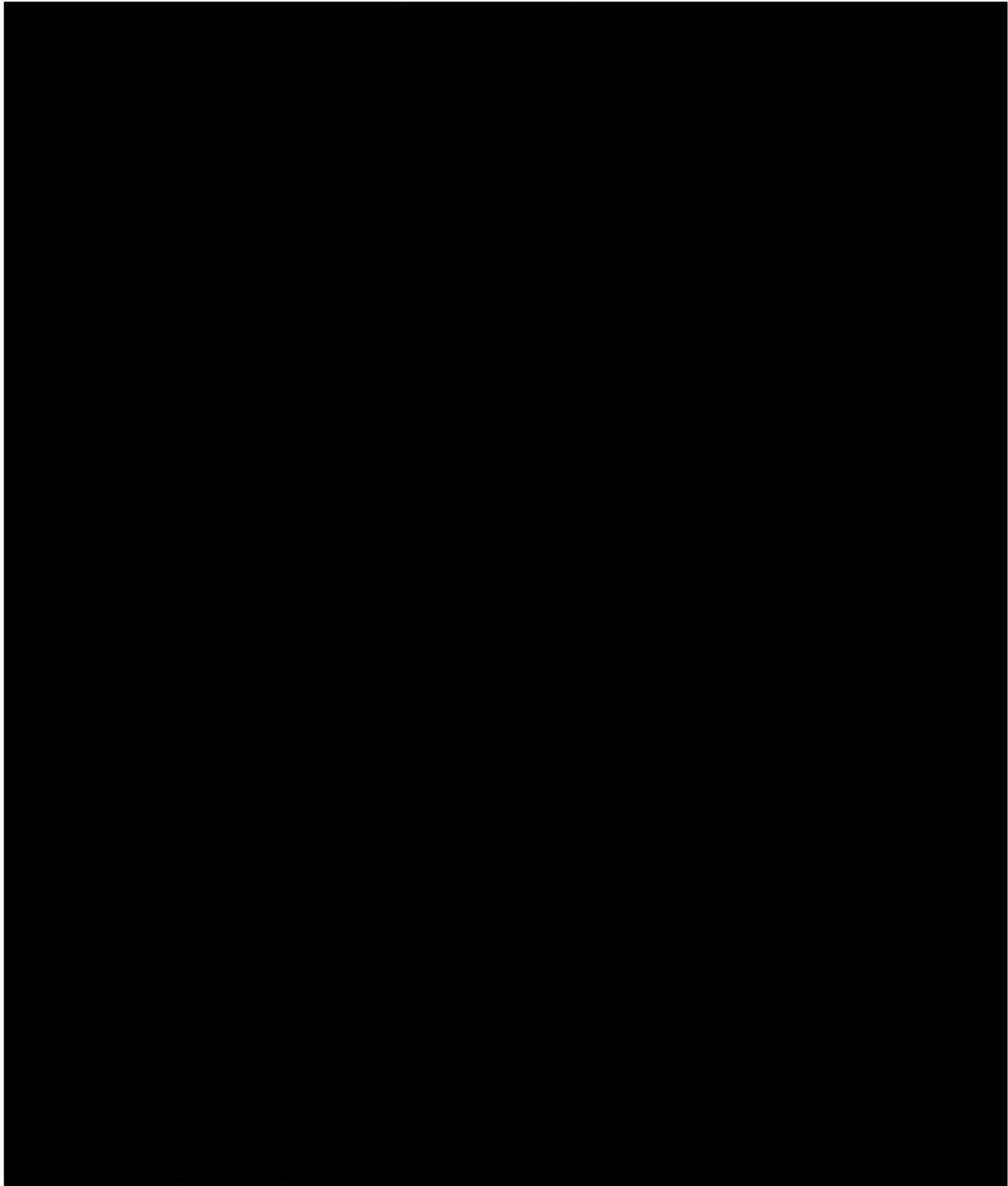
Image 3: Map of TWL Trucking Locations



TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



Image 4: Overview of TWL Trucking Vehicle/Machinery Assets



Our Mission Statement

“

To build strong partnerships with clients, promote unity among our shareholders, and develop a vibrant transportation, logistics and technical services company with strong growth potential

”

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



2.4 Target Company

Name	Avenell Engineering Systems Limited (I-28319) and Alfa Limited (I-70437). Together, both entities are referred to as 'AES', the 'Target Companies' or 'Target Company' in this Application.
Address	C/- BC Enterprises Limited Scratchley Rd Badili, National Capital District

2.5 Target Company Contact Person

Name	Dominic Avenell
Position	Managing Director
Telephone	(PNG) +675 7281 6348 (AUS) +61 434 566 131
Email	dom@aespng.com

2.6 Description of Target Company's Business Activities

Overview

AES is the largest privately owned logistics hub and supply base platform in PNG. AES has grown significantly over its history, expanding their facilities mainly to service the growing oil and gas sector.

Strategically located between the Port Moresby CBD and the PNG LNG plant and set on 94-hectares with considerable water frontage, the park boasts a privately owned port and container yard, complete with 540 metres of wharf and a full suite of on-site logistics services and infrastructure.

Tenants are provided with a diverse range of purpose-built facilities, as well as additional and necessary infrastructure specific to their industry and operational requirements.

The park's restaurant and mess facilities are HACCP (Hazard Analysis Critical Control Points) certified. Tenants' staff can be accommodated in the park's 250-person camp or its secure residential estate (43 x 1-3 bedroom homes). Recreational facilities, as well as a private medical clinic, are also conveniently located within the park.

The PNG Business & Logistics Park is evolving as new tenants are attracted to it. With over 40 of its hectares yet to be developed, there is ample capacity for not just new tenants, but also for existing tenants needing to scale up their operations.³

³ <https://aespng.com/png-business-logistics-park/>

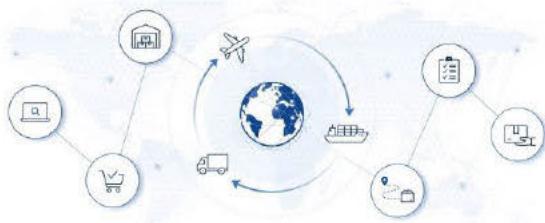


Image 5: Timeline of Events



The Business Park is located 15 kilometres from Port Moresby's Central Business District (adjacent to Motukea Island) and spans over approximately 94-hectares. The land is owned by Alfa Limited under a single state lease, expiring on 15 February 2120.

Image 6: AES Business Park Location



TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES

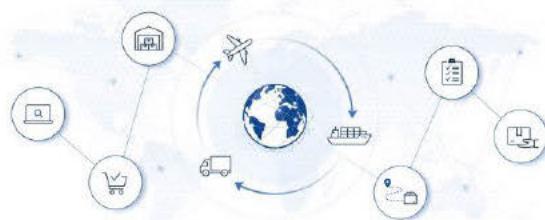


Image 7: AES Services Overview

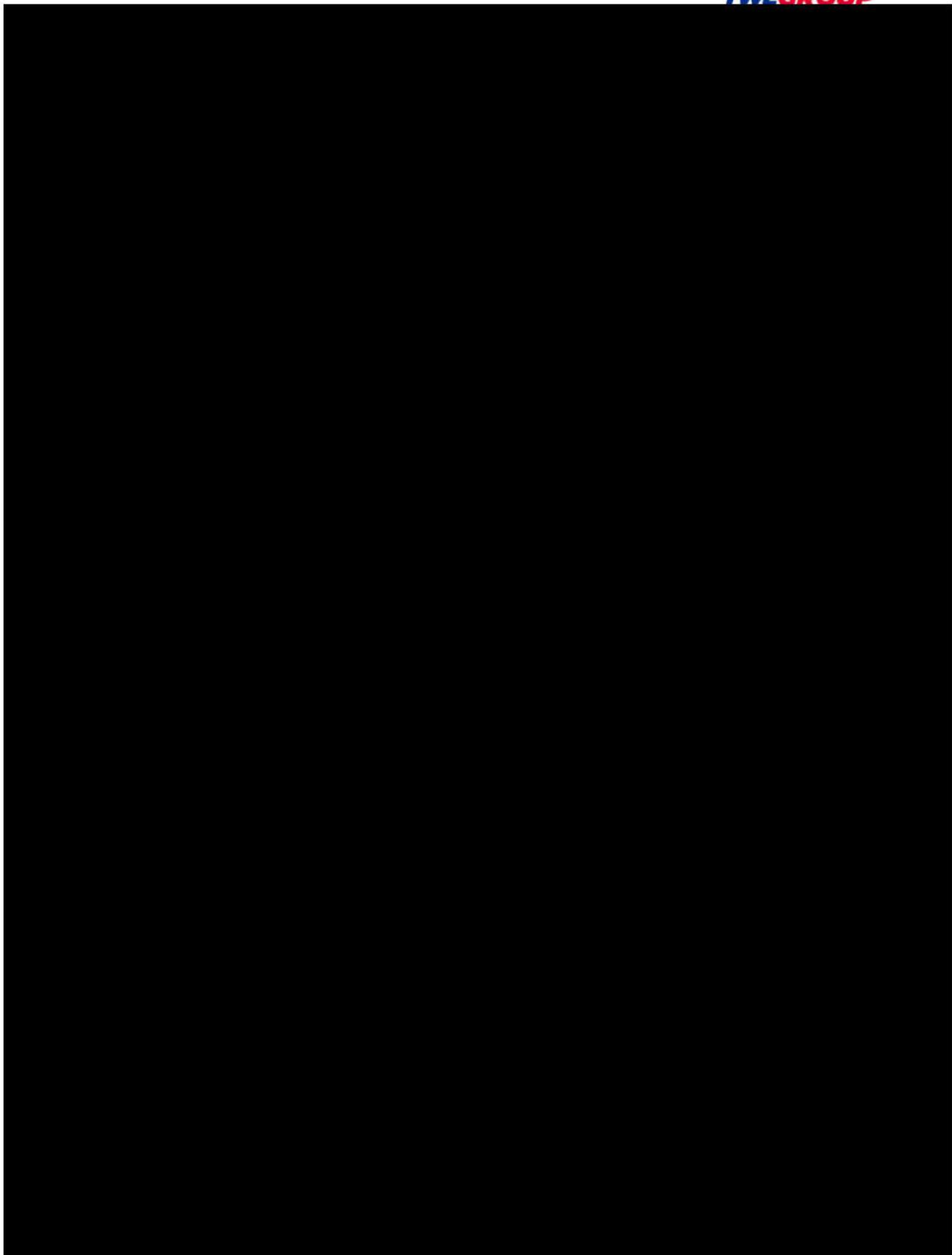
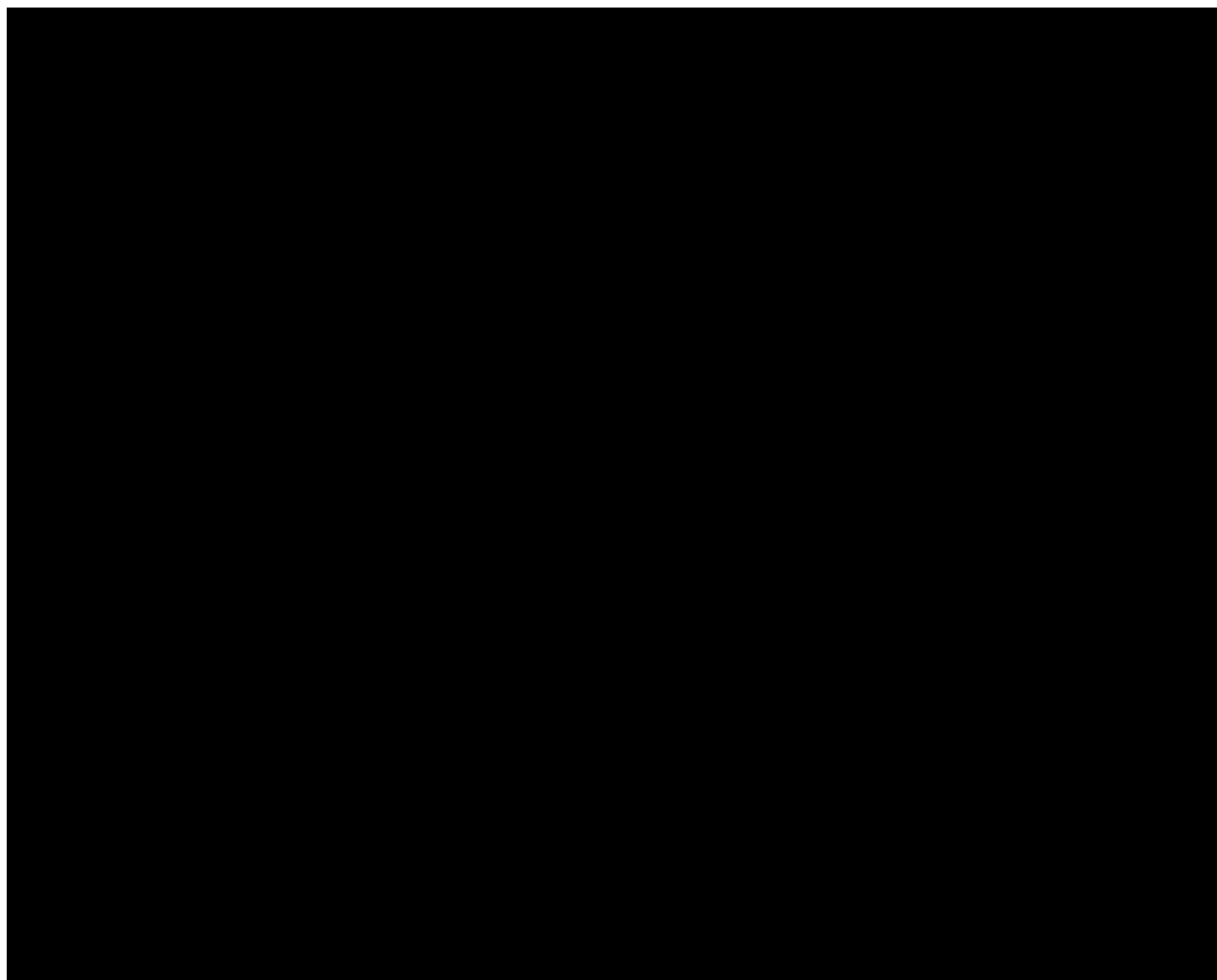




Chart 1: Top AES Customers



TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



2.7 Target Company's Capital Structure



3. Details of the Proposed Acquisition

3.1 Background to Proposed Arrangements

This application seeks ICCC Clearance for the 100% acquisition of AES, and all its underlying assets which comprise its business park, port, and camp.

On 23 March 2025 together, the current shareholders of AES and directors of TWL agreed to terms stipulating the conditions in which TWL may acquire 100% of the shares in the Target Companies by way of a Share Purchase Agreement, with key conditions being:

—

Please refer to **Appendix 1: Executed Term Sheet** on page 32 for details surrounding the terms underpinning the transaction.

A table outlining a summary of key transaction particulars is provided below.

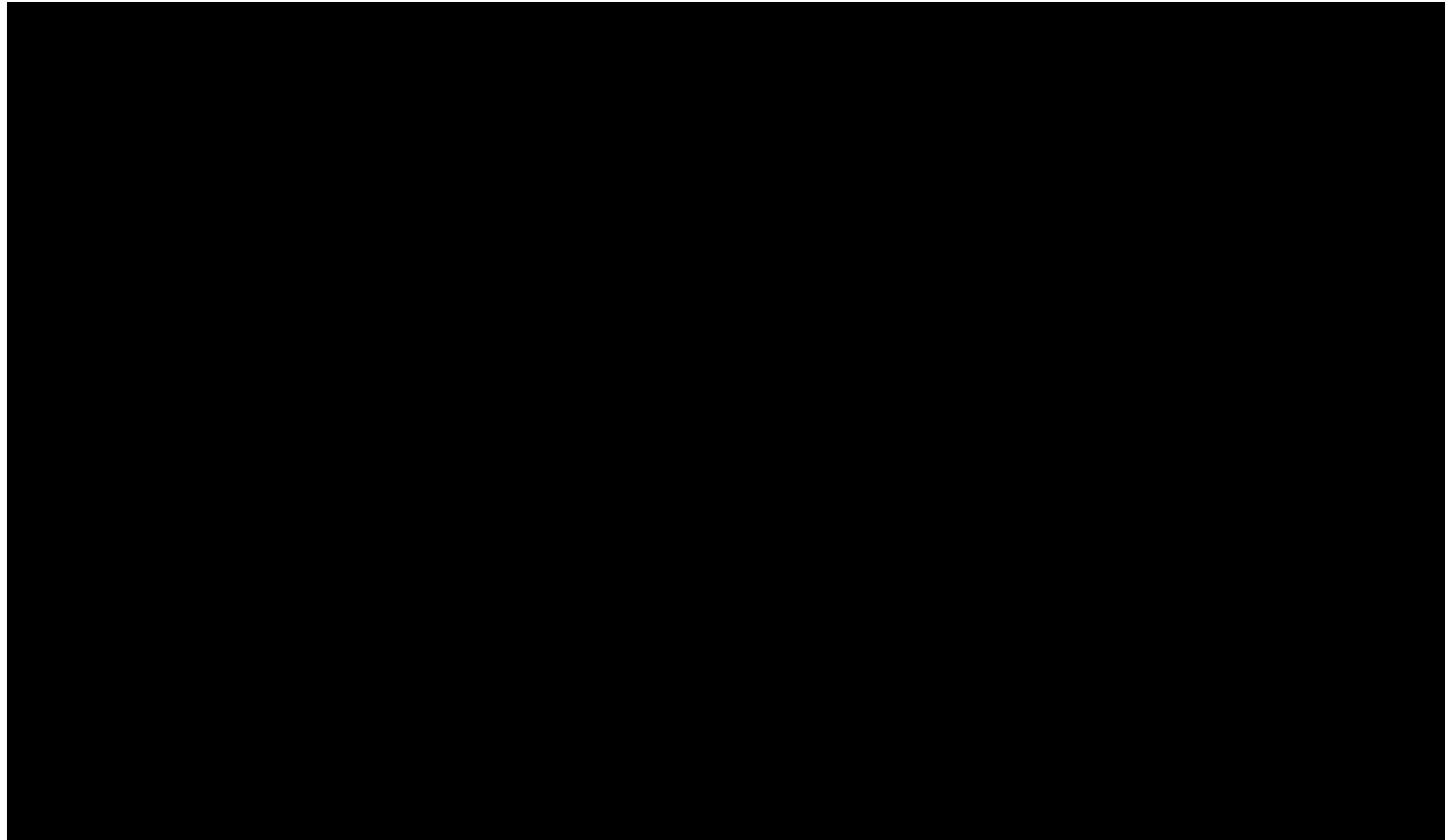
Table 3: Summary of Transaction Particulars

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES





Image 9: Applicant Funding Structure



3.2 Rationale

As it stands today, acquiring the AES facility provides TWL with an immediate benefit in the form of a passive, predictable and (certain) ongoing income stream, supported by a diversified client base across various sectors (including oil and gas majors and various other large multi-national organisations committed to long term investments throughout PNG); but also more importantly, significant potential upside in the opportunity to better utilise key facility capacity.



TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



Chart 2: Estimated Utilisation of AES Facilities (FY2023)

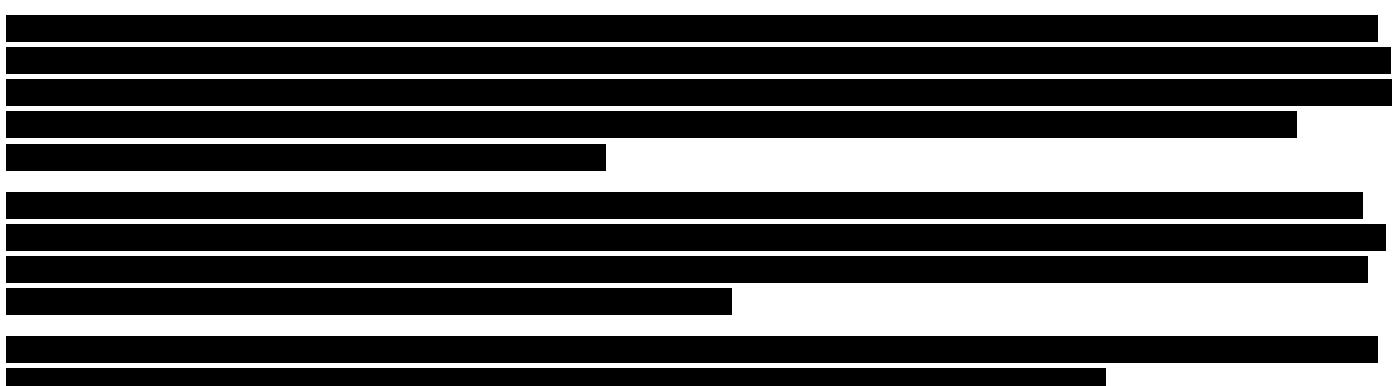
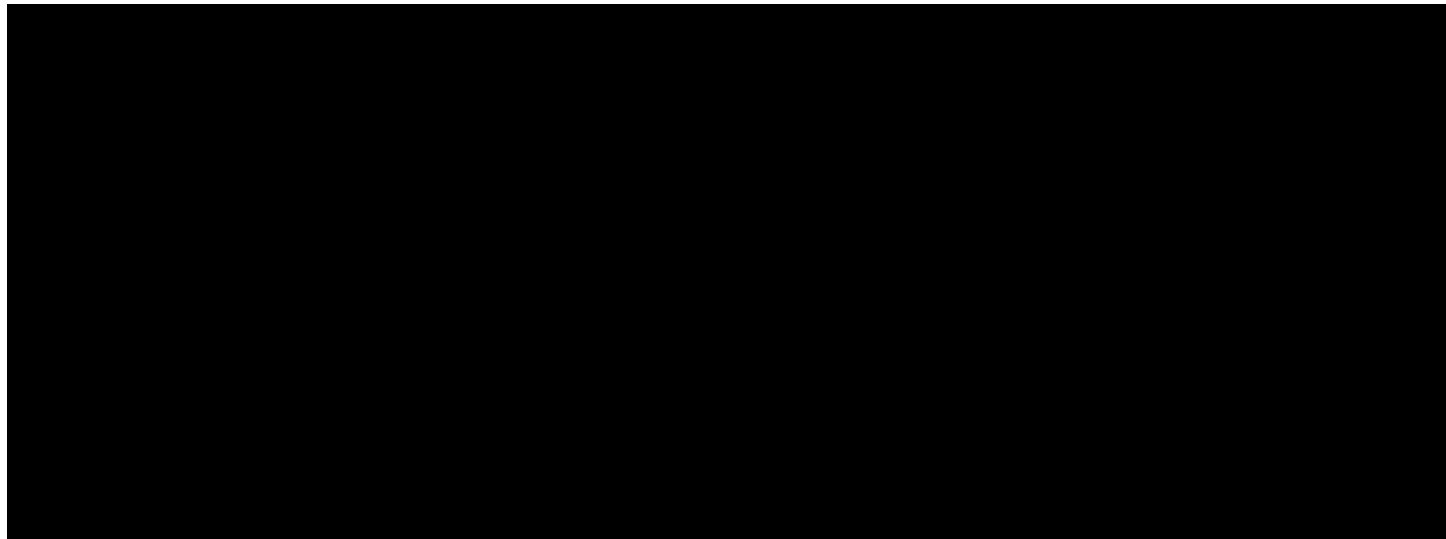
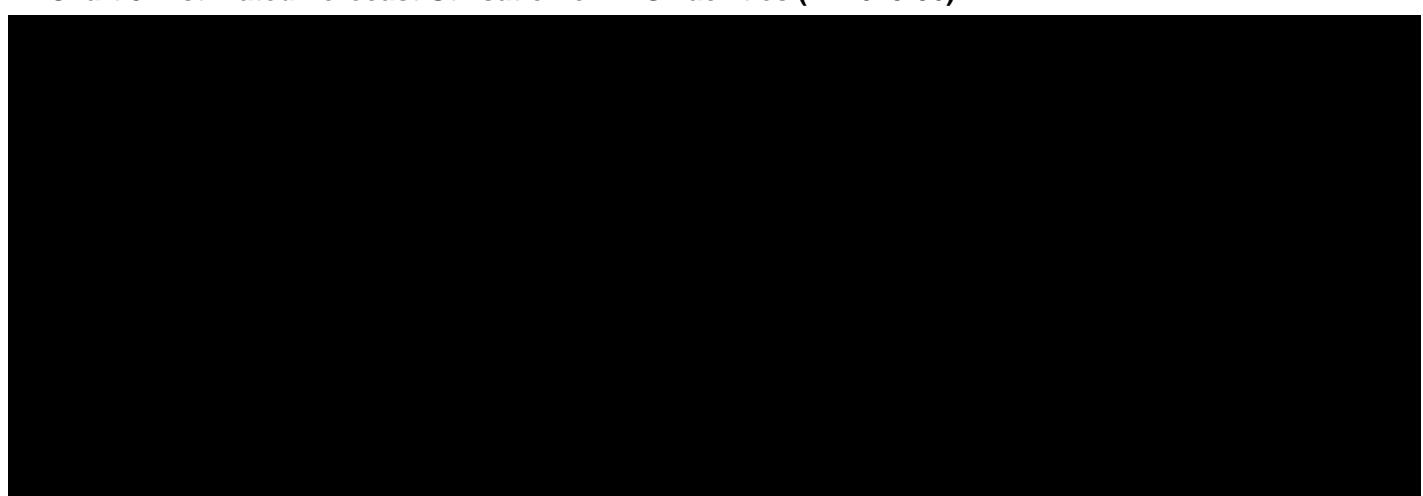


Chart 3: Estimated Forecast Utilisation of AES Facilities (FY2025-36)





Neither the Applicant or the Target Companies have any existing relationship, commercial or otherwise, which alludes to an imbalance of industry market share or any influence over market pricing and neither entity is sufficiently large enough to have any impact on competitive markets, given the number of competing ports and business parks nearby, and the comparatively large capitalisation of those competing companies.

[REDACTED]

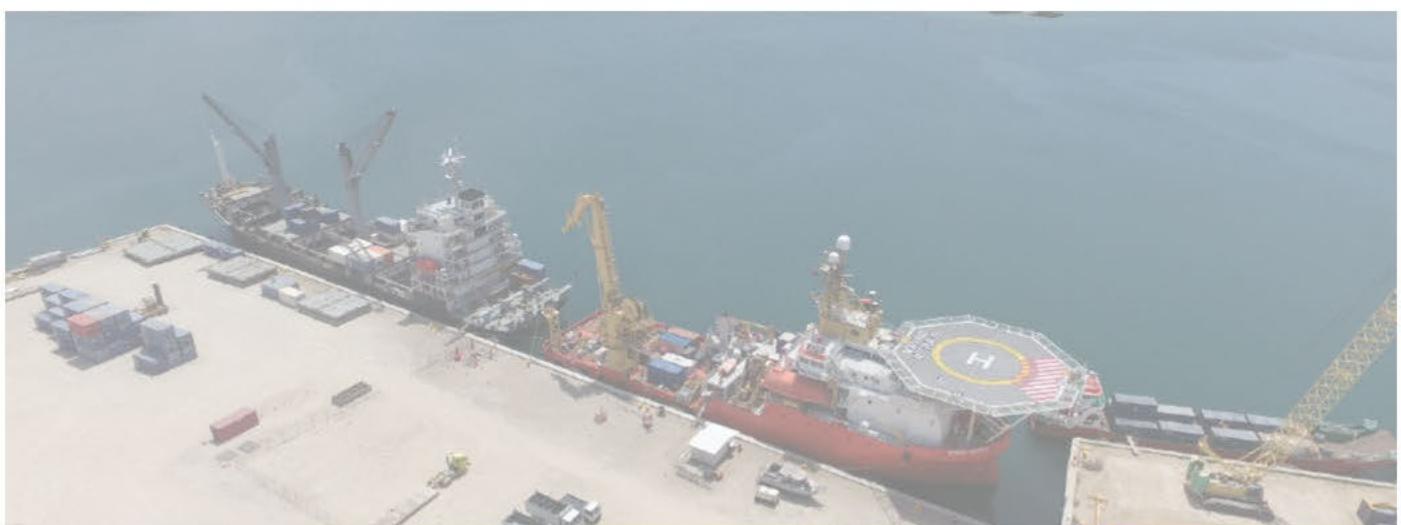
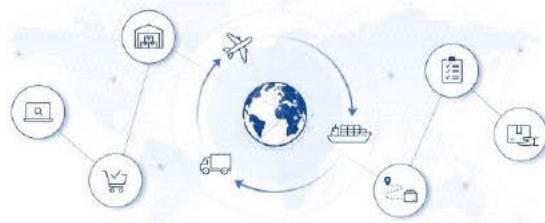
[REDACTED]

[REDACTED]

Specifically, TWL envisages the following benefits:

[REDACTED]

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES





4. Relationship Between the Parties

4.1 Overview

Neither the Applicant or the Target Companies have any existing relationship, commercial or otherwise, which alludes to an imbalance of industry market share or any influence over market pricing.

This application seeks ICCC Clearance for the 100% acquisition of AES, and all its underlying assets which comprise its business park, port, and camp – which are all services that TWL is seeking to enter into as part of its growth strategy.

TWL hopes that should it attain ICCC Clearance, TWL may be better positioned to offer a better and holistic service offering to AES' existing customer base as well as its own, thereby benefiting from greater economies of scale which shall be reflected in an increase in choice for customers as well as more favourable market pricing.

4.2 Target Company Industries

AES' industries comprise:

- Port operations including provision of wharves and ship berths;
- Stevedoring and handling containers (to a lesser extent) and other kinds of project cargo (including break bulk cargo and project shipping);
- Provision of commercial properties for lease, including: warehousing and office space;
- Provision of residential properties for lease, including permanent and mobile structures; and
- Hospitality, i.e., restaurant and bar, etc.

4.3 Applicant Industries

As previously highlighted in Section 2.3 on page 6, TWL is predominately a PNG-owned and based transport and logistics company, primarily concerned with providing trucking solutions across PNG, and to a lesser extent, it also has equity interests in marine services, heavy lifting crane services, fuel distribution, and freight forwarding. Its industries therefore comprise:

- Road freight transport and logistics;
- Crane services;
- Marine services (tug and barge);
- Provision of commercial land for lease, including laydown areas;
- Fuel supply and distribution;
- Freight forwarding; and
- Aerial mapping.

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



5. Market Information

5.1 Relevant Markets

PNG relies heavily on shipping and aviation to move cargo around the country due to the geographic makeup of the country coupled with the limited road network.

Shipping in PNG is comprised of coastal shipping, general cargo, project logistics and other services (i.e. fishing and logging). The shipping segment is mainly dominated by Bismark Maritime and Consort Express Lines who predominately operate through coastal shipping and general cargo. Other smaller players that service the Western Province include PNG Express Lines.

While Bismark Maritime operates the largest fleet in PNG for domestic shipping, Consort Express has its own port in Lae which enables the company to access the majority of the domestic market.

The Applicant intends to continue the operations of the Target Company after the Proposed Acquisition, and that it operates within a highly competitive and well-resourced environment in Port Moresby and so the likely effect is that there is no change in the competitive position of the Target Company.

The following information is provided generally about the port sector within which the Target Company operates, being coastal (domestic) shipping comprising some liner (timetable) services and voyage charter (third party cargo).

The information is of a high-level nature only, noting that the Applicant does not have access to information about the Motukea port and so the following information explains the Applicant's understanding of the Target Company's role generally in the provision of port services in Port Moresby.

(a) Relevant Segment

The segment of this market in which the Target Company operates is suggested to be port services for international and coastal shipping in Port Moresby. The broader port services market in Port Moresby, including international, needs to be considered because that market could equally service the coastal shipping customer base, and in any case, the regulatory regime is in place to apply the same regulatory approach to the Target Company. The threat of regulation under Part III of the Act constrains the Target Company generally, since the ICCC could apply the same price regulation structure as it does for PPC. Regulation of PPC's services and rates also specifically constrains the Target Company since generally it is expected to match or better PPC's pricing.

The Target Company's services compete with the following which currently provide port services for coastal shipping:

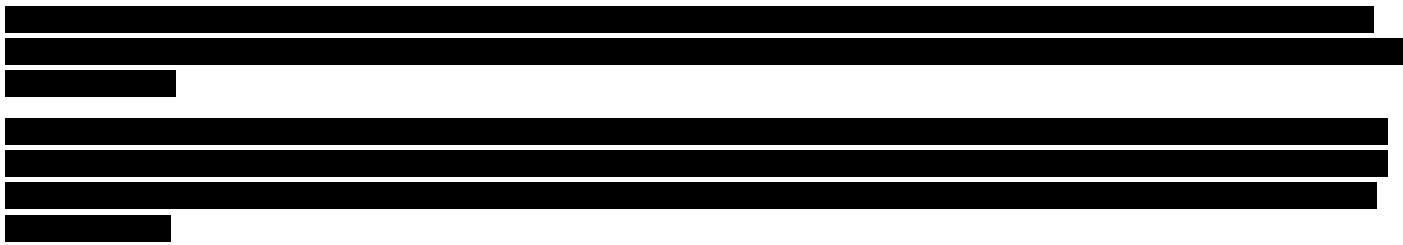
- PPC (Motukea) – currently utilised for all of Consort Express Lines coastal shipping, it having changed its port services provider from the Target Company after entering into a nationwide arrangement with PPC;
- Curtain Bros (facilities at Motukea separate from those sold to PPC) - utilised for serving resource clients and coastal shipping and remain the most capable and competitive supplier to the Target Companies for comparable services;
- Steamships / Portside Development – acquired 38-hectares from Curtain Bros; and
- In relation to fuel, Puma and Mobil Oil New Guinea have separate ship unloading and tank farms.

TWL has intentionally omitted the below facilities (noting TWL has disclosed an equity interest in Argo Marine), for the reasons outlined below:

- **Kennedy Wharf** – services Gobe Freight Services fleet and other non-liner vessels that do not satisfy International Ship and Port Facility Security code compliance and other port regulations; and
- [REDACTED]
- [REDACTED]



(b) Functional Levels of the Market



(c) Markets for the Acquisition of Goods and Services



5.2 Effects on Competition

The proposed acquisition is not likely to have the effect of substantially lessening competition in the market for the supply of port services for coastal shipping in Port Moresby, as the dynamics of that market will be unaffected.

These points are explained in more detail below.

(a) Counterfactual



(b) Target Company Market Share



(c) Countervailing Power Exercised by Customers

All of the customers of the Target Company are substantial and sophisticated businesses in a dynamic market who have significant countervailing power.

(d) Competition from Alternative Suppliers

The competitors referred to in **Section 5.1 (a) Relevant Segment** have significant capacity and offer vigorous competition. An example of this is that in 2020, Consort Express Lines negotiated to obtain all of its requirements for port services for coastal shipping from PPC, and it ceased to be a customer of the Target Company.

(e) Opportunities for Entry and Expansion

The barriers to entry and expansion in the market for port services are moderate. There are substantial banks of land with harbour access in Port Moresby. An example is the Pacific Islands Express facility which has land title and sought approvals to undertake a port development.



7. Competitors

7.1 Overview

PNG relies heavily on shipping and aviation to move cargo around the country due to the geographic makeup of the country coupled with the limited road network.

Shipping in PNG is comprised of coastal shipping, general cargo, project logistics and other services (i.e. fishing and logging). The shipping segment is mainly dominated by Bismark Maritime and Consort Express Lines who predominately operate through coastal shipping and general cargo. Other smaller players that service the Western Province include PNG Express Lines.

While Bismark Maritime operates the largest fleet in PNG for domestic shipping, Consort Express has its own port in Lae which enables the company to access the majority of the domestic market.

7.2 Competitive Landscape

Ports

The AES port is one of the three main wharves in PNG [REDACTED]. AES is largely limited to domestic shipping lines with PPC servicing both international vessels and domestic shipping through Motukea Island.

Key competitors that cater to domestic shipping include:

- **Curtain Brothers:** Privately owned company operating from Motukea Island and mainly services small vessels. Motukea is a 106-hectare development site with steel fabrication, dockyard and wharves including twin panamax berths. 40-hectares of the port/wharves were sold to PNG Ports in 2015. Curtain Brothers has limited capacity for coastal shipping and mainly cater to barges.
- **Other logistics hubs:** Mining companies operate their own ports and mainly service internal logistics. These ports include PNG LNG (Kumul Marine Terminal), Ok Tedi Mining Limited (Kiunga), Ramu Nickel Cobalt project (Basamuk Bay) and Lihir gold mine.

A detailed list of ports and wharves throughout PNG is outlined below.

Table 5: List of PNG Ports and Wharves⁵

Port Location	Owner / Operator
Various (15 Active Locations)	PNG Ports Corporation Limited - maintains and operates wharves at 15 declared ports around the country, including the international terminals in Lae and Port Moresby
Bialla (West New Britain Province)	Hargy Oil Palm Limited (private port)
Kiunga (Western Province)	Ok Tedi Mining Limited (private berth), ownership of second berth in dispute between Steamships and the North Fly River Development Corporation, and third birth under construction by Curtain Bros
Motukea – POM (NCD)	Curtain Bros (private slipway)

⁵ APEC, 'Diagnostic Report on Competitiveness and Overall Market Structure of Port Industry in Papua New Guinea', March 2017; Table 3.4

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Port Location	Owner / Operator
Roku - POM (NCD)	AES (private port)
Paga Point - POM	Argo Marine (private port)
Napa Napa – POM (NCD)	Puma Energy (private port)
Kimbe (West New Britain Province)	Stetting Bay Lumber (private port)
Kumul Marine Terminal (Gulf of Papua)	Oil Search (private port)
Lea Lea (NCD)	Exxon Mobil (private port)
Alotau (Milne Bay Province)	Alotau Government (private wharf)
Vanimo (Sandaun Province)	Vanimo Forest Products Ltd (private port)
Lihir (New Ireland Province)	Newcrest Mining Ltd (private port)
Lae (Morobe Province)	Bismark Maritime (private wharf), Frabelle Fishing Corporation (private wharf) and PNG Taiheiyo Cement Ltd (private wharf)*
Marengo (Madang Province)	Marengo Mining (PNG) Limited (private port)
Basamuk (Madang Province)	Ramu Nickel Management (NCC) Ltd (private port)
Madang (Madang Province)	Madang Timbers Limited (private wharf), Jants P/L Madang (private wharf) and RD Tuna Canners Limited (private wharf)*
Rabaul (East New Britain Province)	Coconut Products Taboi Oil Mill (private port)

*These wharves are located within PPC declared ports

Names and contact details for relevant competitors in PNG for the supply of general port products are set out below.

Name Curtain Brothers
Phone +675 321 2300
Address Motukea Port, Port Moresby
Papua New Guinea

Name PNG Ports Corporation
Phone +675 308 4200
Address Credit Haus, Cuthbertson Street, Port Moresby, Papua New Guinea



Industrial Park (Warehousing and Laydown Facilities)

Current major providers of warehousing, laydown areas and storage as an integrated facility mainly include:

- **Curtain Brothers:** in addition to port services, they also provide warehousing and storage facilities; and
- **Steamships:** operating as a diversified company in shipping, transport, property and commercial operations who also offer integrated logistics services such as warehousing, yard storage and transport through their business arm East West Transport.

Residential Camp Facilities

Providers of camp facilities are mainly restricted to oil and gas refineries and mining sites who operate camps onsite to accommodate their employees. This includes sites such as the Exxon PNG LNG site and mine sites such as the Lihir Gold Mine and Ok Tedi. Puma also has a camp facility at Nappa Nappa.



9. Other Competitive Constraints

9.1 Market Concentration

PNG's port industry is dominated by certain key players, specifically PPC for port operations and the Steamships group for stevedoring and towage. Further, ownership of many of the operations throughout PNG's maritime sector ultimately links back to the Swire Group. However, there are several smaller operators, including private ports and coastal shipping companies, which includes AES. Ports and stevedoring form part of several vertically integrated businesses.

Although with specific reference to Port Moresby, TWL's best estimates of the current market share in the segment of international and coastal port services in Port Moresby, is as follows:

Table 6: Market Share for International and Coastal Port Services in Port Moresby

Port	Est. Market Share
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

It is difficult to verify this information because PPC does not publish data about throughput of cargo for coastal shipping, nor do competitors as far as the Applicant is aware.

Refer to the chart below for a visual representation of TWL's estimates with regard to international and domestic cargo port market share in Port Moresby.

Chart 4: Estimated International and Domestic Port Market Share in Port Moresby⁷

⁷ [REDACTED]

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



9.2 Countervailing Power

Customers in the market for port services in PNG have substantial bargaining power.

Customers can bypass the Target Company by utilising one of the alternative competitors listed in Section 9.1. Furthermore, PPC is able to utilise its substantial international capacity to service coastal shipping.

9.3 Imports

Not applicable.

9.4 Substitutes

PPC is able to utilise its substantial capacity to service international and coastal shipping.

9.5 Barriers to Entry

The barriers to entry into the market for the supply of general port services in PNG are moderate to high, primarily because it would require new ports to be established but not for any other reason.

The Applicant is not aware of any firms who have recently tried and failed to enter the market.

9.6 Dynamic Characteristics

The port services market in PNG is reasonably dynamic and innovative. There are significant facilities in the Port Moresby harbour that are able to be re-purposed or adapted to provide port services. An example is the Motukea complex, which has a significant land area and now accommodates a number of different marine facilities and tenants.

A further example is Steamships' Portside Business Park, located adjacent to the Motukea International Terminal. While currently under construction, this mixed-use business park development will offer similar end-to-end logistics solutions as AES with warehouses, hardstand yards, offices, retail outlets, and a residential compound.

9.7 Vigorous and Effective Competitor

The Target Company is a relatively vigorous and effective competitor in the market for port services in PNG.

9.8 Vertical Integration

Given that neither the Target Companies or Applicant operate in similar realms and size of both parties is relatively immaterial when contrasted against other operators in their respective fields, the proposed acquisition is not likely to increase any risk of coordinated behaviour or have any adverse impacts on market dynamics.



10. Prices and Profit Margins

10.1 Recent and Current Market Level Pricing

The Applicant considers that competition in the port services market in PNG tends to put downward pressure on prices. The Target Companies understand that its prices (as referred to in **Appendix 2: Schedule of AES Rates** on page 47) are competitive with the published prices of PPC.

The threat of regulation under Part III of the Act constrains the Target Companies generally, since the ICCC could apply the same price regulation structure as it does for PPC. Regulation of PPC's services and rates also specifically constrains the Target Companies since generally it is expected to match or better PPC's pricing.

10.2 Potential Influence on Future Pricing

The Proposed Acquisition will not increase the potential for coordinated conduct in any relevant market.

Neither will the Target Companies be in a position to significantly and sustainably increase prices in the relevant markets, for all the reasons already outlined in this Application. In particular, the substantial competitive constraint imposed by competitors will prevent it from increasing prices or decreasing service quality, without a corresponding loss of customers/volume.

10.3 Impact on Future Profit Margins

The proposed acquisition will have no impact on profit margins of the Target Companies.

10.4 Potential Influence on Competitors' Continued Viability

The Target Companies will not be in a position to engage in bundling or tying that would significantly foreclose the ability of its competitors to compete, for all the reasons already outlined in this Application.

TWL APPLICATION TO ACQUIRE 100% OF SHARES IN AES



11. Closing Remarks

TWL is seeking Clearance for the 100% acquisition of AES and all the underlying assets which comprise its business park, port, and camp.

TWL provides end-to-end multi-modal logistics services that ensures project cargo, fuel supplies or general cargo is delivered to its destination. Predominately this is achieved by way of services carried out by its fleet of heavy vehicles, although TWL also has shareholdings in other businesses which provide ancillary services such as tug and barge operations, heavy lifting crane services, fuel distribution, freight forwarding, and aerial mapping.

By contrast, the AES port facility is predominantly a project cargo port, mostly non-containerised cargo, used by coastal (or domestic) shipping operators such as [REDACTED].

PNG relies heavily on shipping and aviation to move cargo around the country due to the geographic makeup of the country coupled with the limited road network. Shipping in PNG is comprised of coastal shipping, general cargo, project logistics and other services (i.e. fishing and logging). The shipping segment is mainly dominated by Bismark Maritime and Consort Express Lines who predominately operate through coastal shipping and general cargo.

Neither the Applicant or the Target Companies have any existing relationship, commercial or otherwise, which alludes to an imbalance of industry market share or any influence over market pricing and neither entity is sufficiently large enough to have any impact on competitive markets, given the number of competing ports and business parks nearby, and the comparatively large capitalisation of those competing companies.

Through this acquisition, TWL is seeking to enter into port operations, commercial and industrial property leasing, and hospitality – industries TWL is largely unfamiliar with at present.

TWL is firmly of the opinion that such a transaction will not have any substantial impact on competition given the number of privately-run ports operating today and concentrated market share of PPC.

We say this for the below reasons:

- The port sector exhibits low levels of competition, particularly in the international market:** Despite there being a large number of privately run ports throughout the country (principally focussed around extractive industries and/or integrated into a specific company's operations), [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- Customers have high levels of countervailing power:** All of the customers of the Target Company are substantial and sophisticated businesses in a dynamic market who have significant countervailing power;
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- The barriers to entry and expansion are low:** There are already new developments being constructed in Port Moresby, similar to the AES facility; in 2024, Steamships commenced construction of its new large scale mixed-use development which will be managed by its property division, Pacific Palms Property. Spanning a site area of approximately 38-hectares, Steamships' Portside Business Park is located adjacent to the Motukea International Terminal and on the energy corridor to the LNG Plant. This mixed-use business park development will offer an end-to-end logistics solution with warehouses, hardstand yards, offices, retail outlets and a residential compound. In due course, additional facilities will be added, including a hotel.



Rather, TWL is firmly of the opinion that the transaction will likely have a positive impact on increasing choice for customers with a potential in the lowering of prices overall. Specifically, TWL envisages the following benefits:

- Increased local ownership/participation;
- Fairer prices for goods and services;
- Increased innovation and choice;
- Increased efficiency; and
- Positive economic growth.

The AES Business & Logistics Park is evolving as new tenants are attracted to it. With over 40-hectares yet to be developed, there is plenty of room for not just new tenants, but also for existing tenants needing to scale up their operations. However, in the absence of the proposed acquisition, there is less incentive for the Target Companies to successfully expand its port service.

12. Appendix 1: Executed Term Sheet





TERM SHEET

AES BUSINESS PARK, PORT, AND CAMP ACQUISITION

TRANS WONDERLAND LTD

&

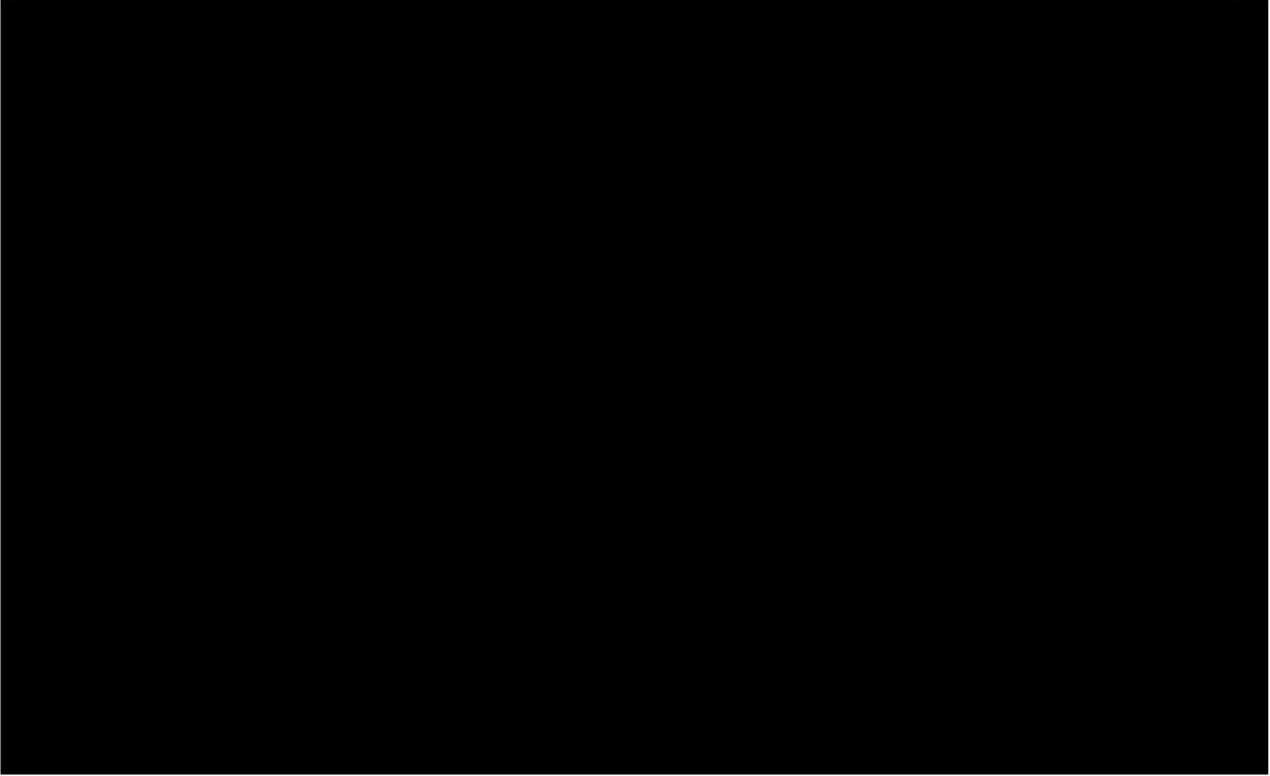
AVENELL ENGINEERING SYSTEM LTD & ALFA LTD

TERM SHEET
FOR THE SALE AND PURCHASE OF THE ORDINARY SHARES OF
Avenell Engineering System Ltd and Alfa Ltd
23 MARCH 2025



OFFERING TERMS

Purchaser:	Trans Wonderland Limited (hereafter referred to as "TWL").
Vendor(s):	Avenell Engineering System Limited and Alfa Limited (herein collectively referred to as "AES").



Commercial in Confidence

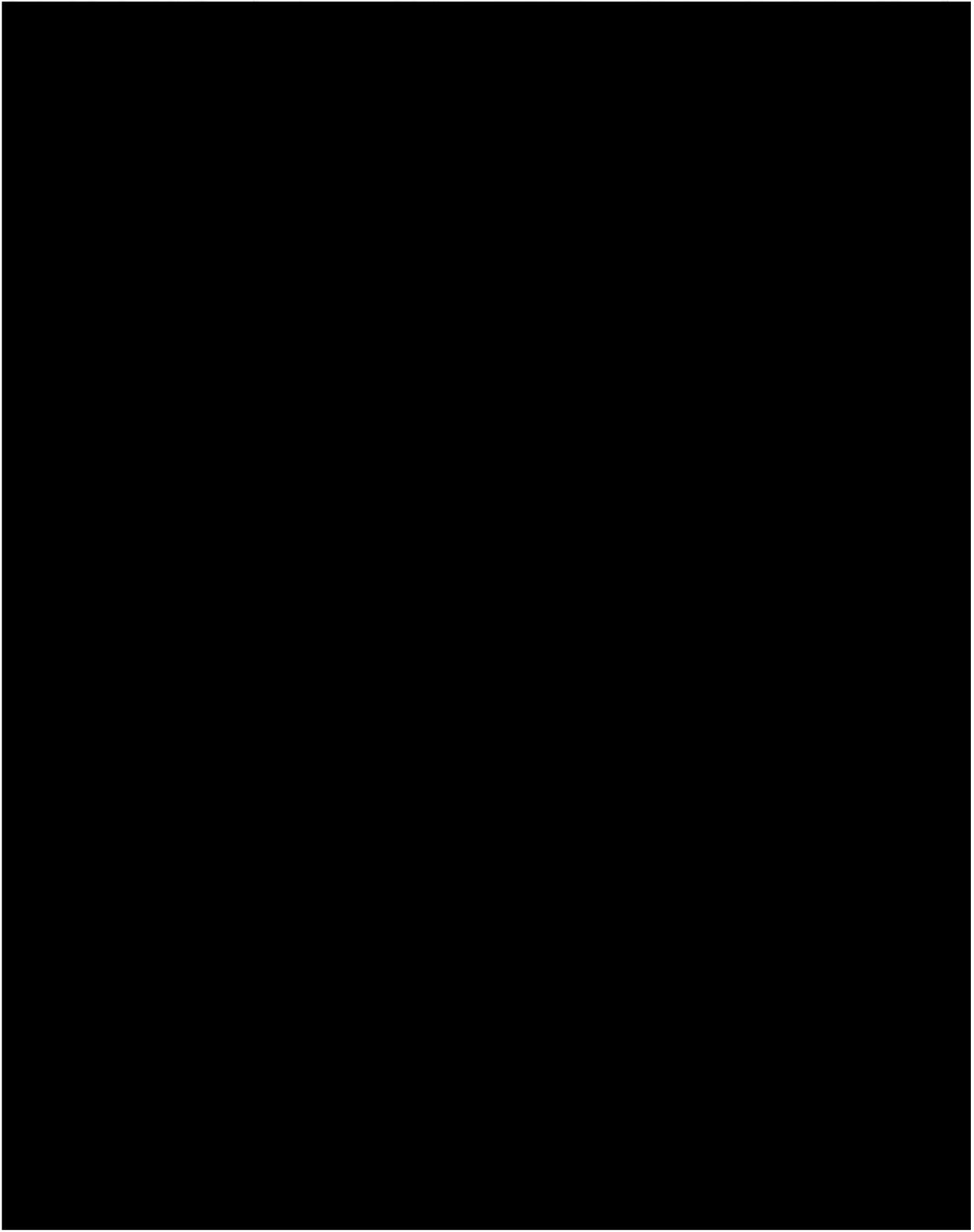
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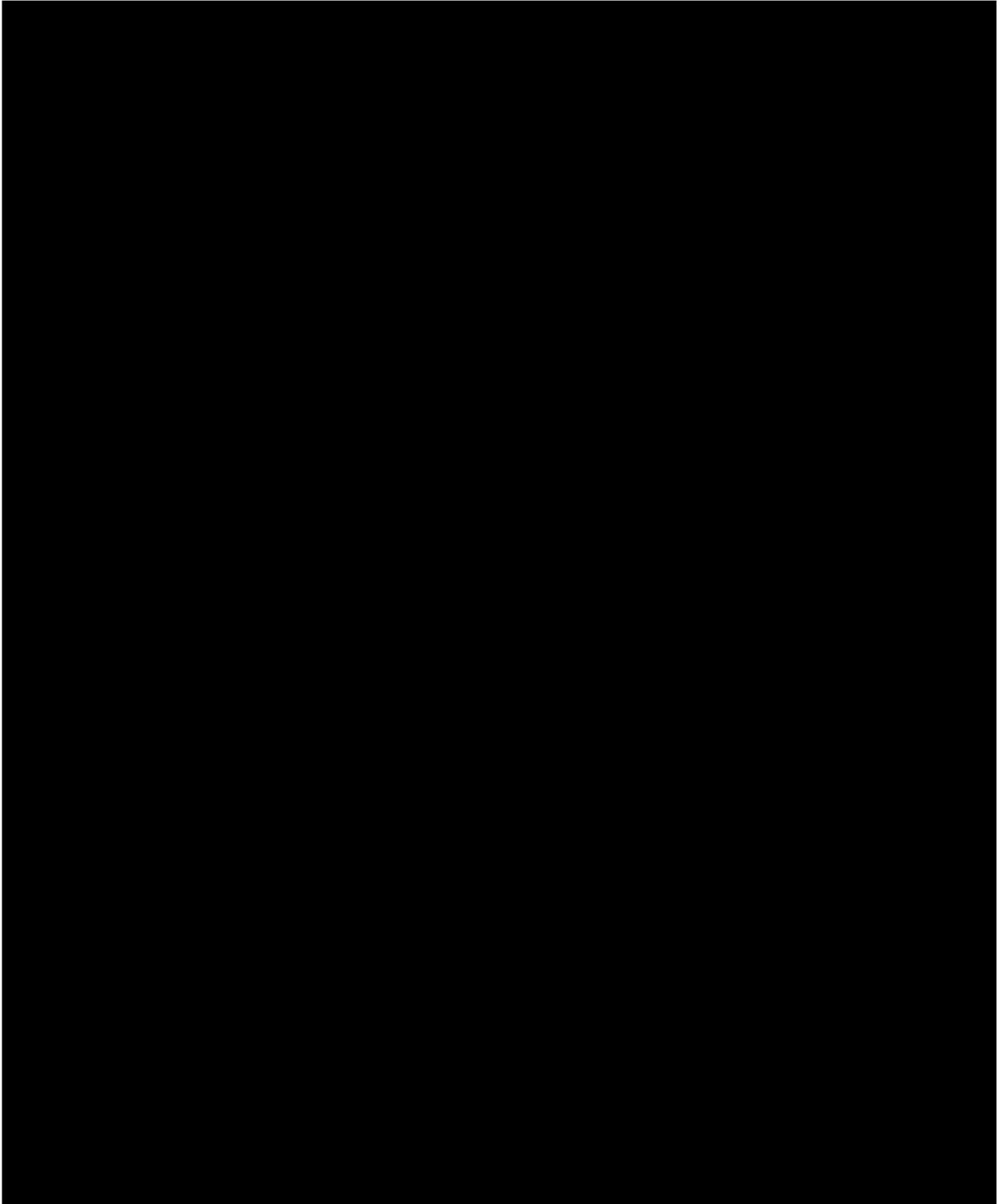
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Commercial in Confidence

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Governing Law:

The laws of Papua New Guinea.



ACCEPTANCE

We hereby acknowledge and confirm our acceptance of the terms set out in the Term Sheet above and, in particular, confirm that each signatory has the authority to enter into such an Agreement on behalf of their respective companies, and that each party is thereby entitled to rely on the other, when entering into such an Agreement.

Terms agreed to and accepted by:

Party A

Date 23 March 2025

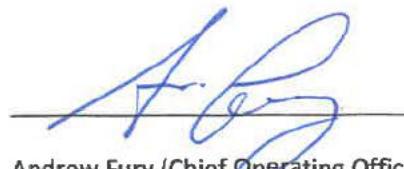


Larry Andagali (Managing Director)

Trans Wonderland Ltd

Witnessed in the presence of:

Date 23 March 2025



Andrew Fury (Chief Operating Officer)

Trans Wonderland Ltd

Terms agreed to and accepted by:

Party B

Date 23 March 2025

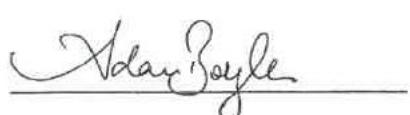


Dominic Avenell (Managing Director)

Avenell Engineering System Ltd and Alfa Ltd

Witnessed in the presence of:

Date 23 March 2025



Adam Boyle (Managing Director)

A.D. Boyle & Associates

13. Appendix 2: Schedule of AES Rates





For further details please contact:

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