



OFFICE OF THE MANAGING DIRECTOR

25 August 2025

**Mr. Paulus Ain**

Commissioner/Chief Executive Officer  
Independent Consumer and Competition Commission (ICCC)  
PO Box 6394

**BOROKO**

National Capital District

Dear Paulus,

**Clearance Application – Proposed Restructure of Twinza Oil Limited by Tor Investment Management (Hong Kong) Ltd (“Tor”)**

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I refer to your letter dated 19 August 2025 requesting KCH to make a submission on the proposed financial restructure of Twinza by Tor. KCH is pleased to make its submission, with our preliminary views expressed herein. These views which may change should more information becomes available to KCH.

**(1) The market**

From the assessment of the ICCC letter, we think that the transaction would not alter the current state of the market structure in PNG. This is because Tor is not an existing PNG industry market player, and this transaction would enable it, as a new player, to enter the PNG market indirectly through having a controlling interest in Twinza and its other PNG subsidiaries.

**(2) Section 69(5) of the ICCC Act 2002**

In terms of competition factors provided for under Section 69(5) of the ICCC Act 2002, we comment as follows:

- a. *Import competition* - There is limited import competition in this market as the value chain of the market - extraction, transporting, storage, processing and marketing, will not be affected by this financial restructure.
- b. *Market entry barriers* - the oil and gas industry is a high-risk business and firms with access to cheap finance from international markets or excess cash can continue to invest into this industry. Whilst access to foreign exchange may be critical and a concern for many businesses in PNG, it may not be too onerous. Other market barriers such as lack of skilled staff in PNG, political instability and regulatory issues can be overcome.
- c. *Number of buyers and sellers* - there are fewer sellers in the industry and many buyers, mainly international based. The ICCC would have the data to quantify the current number of industry players.

- d. *Degree of countervailing power* –there appears to be an absence of countervailing power in the upstream oil and gas industry, and where there is some downstream processing involved, some potential buyers such as the State owned Kumul Petroleum Holdings Ltd and Mineral Resources Development Company, would likely have some countervailing power to exercise should this be necessary.
- e. *Increase in prices or profit margins* – the oil and gas market price is determined at the international arena and not dictated to by any single market player. Therefore, this transaction would not have any effect on increasing prices or profit margins in PNG.
- f. *Substitutes* – There are not many substitutes in the market for crude oil and gas, but there may be other substitutes for downstream processed products.
- g. *Dynamic characteristics of the market, including growth, innovation and product differentiation* - There are many opportunities in the oil and gas industry and the industry is expected to expand overtime, positively affecting innovation and product differentiation at the downstream end of the product supply.
- h. *Removal from the market of a sustainable, vigorous and effective competitor* - the transaction would not result in the removal of any market player, rather it will result in the introduction of a new market entrant.
- i. *Vertical integration in the market* – There is unlikely to be any vertical integration issue in the market as the market structure will remain somewhat the same regardless of the transaction.

In view of the above considerations, KCH does not oppose the financial restructure of Twinza.

Yours sincerely,



**DAVID KAVANAMUR, Ph.D**  
Managing Director