

22 August 2025

Mr Paulus Ain
Commissioner and Chief Executive Officer
Independent Consumer and Competition Commission
2nd Floor, Post Office Building, Nita Street, Boroko

[Hand Delivery]

Attention: Mr Steven Sugl, Executive Manager for Competition Law Enforcement Division

Subject: Re. Clearance Application By BT Luxembourg II, S.A.R.L., For The Proposed Acquisition of Smit Lamnalco Towage PNG LTD and Smit Lamnalco Projects PTE LTD (PNG Branch)

Dear Mr Ain,,

Thank you for reaching out to Twinza Oil (PNG) Limited seeking our views on the proposed acquisition of Smit Lamnalco Towage PNG LTD and Smit Lamnalco Projects PTE LTD (PNG Branch) (together the 'Acquiree') by BT Luxembourg II, S.A.R.L., part of the Boluda group of companies (the 'Acquirer').

We would agree with the view that, with regards to the services provided by the Acquiree, a natural monopoly exists because the most efficient way to serve the current market is with a single provider because of the high fixed costs and significant economies of scale. We agree with the Acquirer's submissions that the market is "not designed to support numerous operators." Supplying towing, berthing, and mooring services to a single, highly specialized client like the PNG LNG Project involves dedicated assets (tugboats) and personnel. Having multiple competing providers operating simultaneously at the same terminal would lead to inefficient duplication of these assets and likely higher costs.

In noting that the Acquiree operates in a natural monopoly, we recognise that competitive tension can be achieved at the contract tendering stage when contracts are awarded by the PNG LNG Project. That is, 'competition for the market' is achieved as compared to 'competition in the market'. Here we agree with the submission that the market remains contestable due to PNG LNG's ability to terminate the contract with six months' notice and initiate a new global tender in an industry where the transportability of operating assets (the boats and tugs) is high ensuring a lower barrier to entry on a global scale.

In conclusion Twinza Oil (PNG) Limited, on the basis of information provided by ICCG and otherwise information available publicly, has no objections to the proposed transaction at this time. The acquisition represents a market entry by Boluda, not a consolidation of existing players; the sole customer holds significant countervailing power; and the mobility of key assets ensures that barriers to entry for future tenders are lower.



Please reach out to me on roppe.uyassi@twinza.com or 73331165 if you would like to discuss further,

Sincerely,

A handwritten signature in blue ink, appearing to read "R Uyassi", is positioned above the printed name.

Roppe Uyassi
Chief Executive Officer PNG