

INDEPENDENT STATE OF PAPUA NEW GUINEA
Independent Consumer and Competition Commission Act

Act, Sec 81

Form 2

NOTICE OF APPLICATION FOR CLEARANCE FOR A BUSINESS ACQUISITION

- 1. FORM AND CONTENT:** In addition to providing a detailed submission in support of the application, the applicant/s is required to complete the application form in full. The Independent Consumer and Competition Commission (ICCC) may reject any applications that have not been filled out fully and properly in accordance with section 76 (4) (c) of the *Independent Consumer and Competition Commission Act, 2002*, (the Act)
- 2. WHERE TO APPLY:** Applications for Clearance for Business Acquisitions should be lodged at the ICCC's office at Level 2 Garden City Building, Boroko, National Capital District or mailed to P.O. Box 6394, Boroko, National Capital District, Papua New Guinea. Ensure to supply one (1) hard copy and (1) soft copy of your application.
- 3. WHEN TO APPLY.** It is a legal requirement to apply for clearance under section 81 of the Act if the proposed transaction would fall within the notification thresholds before proceeding to completion.
- 4. PENALTIES:** Failure to apply and proceeding to complete a merger or an acquisition (which falls within either of the notification thresholds) will result in pecuniary penalty of K750 000.00. Transactions that were not authorised or cleared and it has raised competition concerns under section 69; and successfully prosecuted by the ICCC, the penalties (1) are up to K500, 000 for an individual, (2) K10, 000 000 for a body corporate under section 95 (3) of the Act, (3) divestiture of assets or shares under section 98 of the ICCC Act.
- 5. FEE:** The fee for processing of a business acquisition clearance application is K20, 000. This must be paid by a cheque made out to the ICCC before any work is done on the application.
- 6. COLLECTION OF DETERMINATION:** It is the ICCC's duty to inform an applicant of its determination, in writing, in accordance with section 81 (3). The ICCC must determine the application within 20 days after the date of registration of the notice or for such period as mutually agreed by the ICCC and the Applicant.
- 7. LEGAL ADVICE:** Although it is not a requirement under the Act, the ICCC encourages applicants to seek independent legal advice before applying to the ICCC for clearance.
- 8. CONFIDENTIALITY:** The consideration of applications for clearance is a public process. All documents provided to the ICCC that were intended to form part of the application, will be placed on public record on the ICCC's Public Register. The ICCC may reject any claim for confidentiality if it considers that disclosure is in the best interest of the public. If the ICCC decides to disclose any information claimed to be confidential, the applicant will be provided with an opportunity to withdraw the information. If confidential information has been withdrawn, they will not be considered in the assessment and determination of the application. Where the applicant would like to apply for confidentiality, the applicant must complete an Application for Confidentiality Form (*ICCC Form-4*). The ICCC will consider, make a decision and inform the applicant accordingly.

PLEASE FOLLOW DIRECTIONS ON THE BACK TO COMPLETE THIS FORM

A Notice is hereby submitted under *Section 81* of the *Independent Consumer & Competition Commission Act of 2002 (ICCC Act)* for Clearance for a Business Acquisition under *Section 69*, to acquire assets or shares in a business. All references made to provisions are to those provisions contained in the ICCC Act of 2002.

[REDACTED]
[REDACTED]
[REDACTED]

1. Applicant (the Acquirer)

(a) Name of Applicant and registered office, including the IPA registration number:

(Refer to direction 1)

The acquirer (**Applicant**) is INNIO Jenbacher International B.V. of Kelvinring 58, 2952BG Alblasserdam, Netherlands (**INNIO Jenbacher International**).

(b) Address in PNG for service of documents:

(i) Physical address:

c/- Corrs Chambers Westgarth
Level 3, Deloitte Haus
MacGregor Street
Port Moresby, National Capital District
Papua New Guinea (**PNG**)

(ii) Postal address:

c/- Corrs Chambers Westgarth
Level 3, Deloitte Haus
MacGregor Street
Port Moresby, National Capital District
PNG

(iii) Phone and email address:

Ryan Warokra, Partner
Corrs Chambers Westgarth
+675 303 9866
Ryan.warokra@corrs.com.au

with a copy to:
James Cameron, Special Counsel
Corrs Chambers Westgarth
james.cameron@corrs.com.au

(c) Provide details of the business carried on by the Applicant including the goods and services the Applicant supplies:

(Refer to direction 2)

The Applicant is an indirect subsidiary of INNIO Holding GmbH, a company incorporated in Germany and with registered office at Nymphenburger Straße 5, 80335 Munich (referred to in this document as **INNIO**, and together with all of its subsidiaries **INNIO Group**).

INNIO Group is a manufacturer of reciprocating gas engines for power generation and gas compression. These engines are based on the conversion of gaseous fuels at or near the point of use (distributed power generation) and serve a global customer base.

INNIO Group (including the Applicant) has no sales or direct customer relationships in PNG.

INNIO Group has two main business lines:

- (a) Jenbacher engines (**Jenbacher brand**), which sells the gas engines as "genset" packages (engine and generator), as container solutions, or bare gas engines for electrical power generation and cogeneration (combined heat and power); and
- (b) Waukesha engines (**Waukesha brand**), which sells bare gas engines for gas compression and power generation or gensets for power generation.

INNIO Group provides the following products:

- (c) Genset packages: Include a package that combines the reciprocating gas engine with a generator and auxiliary equipment such as pumps and controls;
- (d) Container solutions: Include gas gensets that are installed in a container including all auxiliaries such as ventilation, exhaust systems, cooling systems, etc., and that can be operated self-sufficiently (effectively a mini power plant); and
- (e) Bare gas reciprocating engines: A bare gas reciprocating engine is a gas reciprocating engine without any auxiliary equipment or container.

These engines are supplied indirectly through agents and distributors appointed by the Applicant.

- (d) Detailed description of all related business/es or company/ies of the Applicant including the goods and services that each of them provide including the IPA registration number:
(Refer to direction 3)

Under the Share Purchase Agreement (**SPA**) referred to in section 3 below, the acquirers (**SPA Acquirers**) are:

- INNIO Jenbacher International B.V. of Kelvinring 58, 2952BG Alblasterdam, Netherlands (**INNIO Jenbacher International**); and
- INNIO Jenbacher Netherlands B.V. of Kelvinring 58, 2952BG Alblasterdam, Netherlands (**INNIO Jenbacher Netherlands**).

The SPA Acquirers (including the Applicant) are subsidiaries of INNIO and part of the INNIO Group. None of the SPA Acquirers are presently registered in PNG, and they do not have IPA registration numbers.

The INNIO Group is active as a manufacturer of reciprocating gas engines for power generation and gas compression. The INNIO Group also provides aftersales services such as spare parts, maintenance and repair, as well as related digital solutions under the brand "myplant".

The entities of the INNIO Group that carry out the aftersales services and the regions in which the services are provided are limited. The INNIO Group does not provide aftersales services in PNG, and the Applicant does not provide aftersales services at all.

For further information about the INNIO Group please see: <https://www.innio.com>

- (e) Name, address and phone number of any person/s (if any) for whose benefit or behalf the shares or assets acquired will be held:

Not applicable. The relevant shares to be acquired will be held by INNIO Group and not on behalf of, or for the benefit of any individual person.

2. The Target Company

a. In the case of a registered business or company whose shares or assets are to be acquired:

(i) Name of the business or company including the IPA registration number

The company whose shares are to be acquired is Enerflex Service Pty Limited (which we refer to in this document as the **Target** or **Enerflex Aus**), a company incorporated in Australia of 115 Schneider Road, Eagle Farm, Queensland 4009, Australia.

The Target is not presently registered in PNG and does not have an IPA registration number. The Target has very limited activities in PNG at present, solely comprising the provision of maintenance services, as explained further in answer to question 2(a)(iii), below. The Target is ultimately owned and controlled by Enerflex Ltd., a Canadian corporation, the common shares of which trade on the Toronto Stock Exchange under the symbol "EFX" and on the New York Stock Exchange under the symbol "EFXT".

Under the SPA described in section 3 of this document, the Target is being acquired as part of a broader acquisition involving the Target *and* the following non-PNG entities:

- Pt. Enerflex (**Enerflex Ind**), a company incorporated in *Indonesia* of Kawasan Central Cakung No. K16-18. Jl, Raya Cakung - Cilincing Km. 3. Jakarta, Utara 14140, Indonesia; and
- Exterran (Thailand) Ltd (**Enerflex Thai**), a company incorporated in *Thailand* of No. 100/58 Sathorn Nakorn Tower, 28th Floor, North Sathorn Road, Silom Sub-district, Bang Rak, Bangkok Metropolis 10500, Thailand.

Together, we refer to the Target and the two entities above (collectively) as the **Target Group**.

Neither of the two other entities above (Enerflex Ind and Enerflex Thai) are registered or carry on any business in PNG. Of the Target Group, only Enerflex Aus (the Target) has generated minimal revenue in PNG, with only a very modest presence and scope of operations.

(ii) Registered office of the business or company

The registered office of the Target is specified in answer to question 2(a)(i), above.

(iii) Brief description of the business/es carried on by the business or company including the goods and services supplied

The Target is active in the supply of aftermarket services (such as general repair, upgrades, maintenance and provision of spare parts) of certain brands of gas compression, engine-power and energy infrastructure. Its business focus in PNG is on supplying spare parts for oil & gas equipment, as well as - on-shore engine and compressor maintenance services.

The Target provides aftermarket services and spare parts for gas engines from select original equipment manufacturers (**OEMs**). These services focus on the maintenance and repair of certain parts of energy infrastructure (such as engines and compressors).

In 2024, the Target Group generated a *worldwide* revenue of approximately [REDACTED]

Approximately █% of that revenue was generated through work for customers in Australia, Indonesia and Thailand.

Of the Target Group companies, only the Target generates any revenue in PNG. In 2024, the Target only generated turnover from business conducted in PNG of █ amounting to approximately █% of the Target Group’s worldwide turnover. This turnover was generated from the supply of equipment, spare parts and gas engine and compressor maintenance and upgrade services to one oil & gas customer in PNG (█), and the sale of a modest number of spare parts to █.

The Target’s PNG-related revenue in each of the three most recent financial years is set out in the table below:

Turnover of Enerflex Aus (AUD)			
	FY 2022	FY 2023	FY 2024
PNG	█	█	█
(Turnover of Enerflex Aus)			

(iv) Number and types of shares or description of assets to be acquired

Pursuant to the SPA, the SPA Acquirers (INNIO Jenbacher International, INNIO Jenbacher Netherlands) agreed to acquire all outstanding shares of Enerflex Aus, and Enerflex Thai, respectively, and 95% of the shares of Enerflex Ind, from Enerflex Ltd., Enerflex Australia Holdings Pty Ltd., Enerflex Holdings LLC and Enerflex Compression Services Ltd. Following close of the transactions contemplated by the SPA, the SPA Acquirers will own (directly or indirectly) all of the shares of Enerflex Aus, Enerflex Thai and Enerflex Ind.

b. Where it is a company whose shares are to be acquired, provide details of:

(i) The issued capital of the company:

Enerflex Aus’ issued capital amounts to AUD 400,000.

(ii) The holders of issued capital:

Shares of the Target are held by Enerflex Australia Holdings Pty Ltd.

c. Provide details of all related business/es or company/ies of the business or company whose shares or assets are to be acquired by the applicant.
(Refer to direction 4)

Among the Target Group, only the Target generated revenue in PNG.

d. Where it is a person whose assets are to be acquired

(i) Name and address of that person

No assets of any individual person are being acquired.

(ii) Detailed description of the business/es carried on by the person including the goods and services that person supplies

Not applicable for the reasons stated in answer to question 2(d)(i), above.

(iii) Describe the assets to be acquired

Not applicable for the reasons stated in answer to question 2(d)(i), above.

3. The Acquisition

(a) Outline the details of the offer contract, arrangement, understanding or proposal for the acquisition and, where possible also provide a copy of that document.

(Refer to direction 5)

Pursuant to the SPA signed on February 25, 2026, the SPA Acquirers each agreed to respectively acquire all of the outstanding shares in the Target Group (**Proposed Transaction**).

Following completion of the Proposed Transaction, the Target will become an indirect subsidiary of INNIO Holding, and therefore part of the INNIO Group.

In particular:

- the Target would become wholly acquired by INNIO Jenbacher International;
- Enerflex Ind would be 95% owned by INNIO Jenbacher International and INNIO Jenbacher Netherlands (noting that this is not relevant to PNG as Enerflex Ind *does not carry-on any business in PNG*); and
- Enerflex Thai would become wholly owned by INNIO Jenbacher International and INNIO Jenbacher Netherlands (noting that this is also not relevant to PNG as Enerflex Thai *does not carry-on any business in PNG*).

Completion of the Proposed Transaction is conditional upon the satisfaction of required closing conditions, including Foreign Investment Review Board (FIRB) and merger control (ACCC) clearances in Australia and ICCA clearance in PNG.

(b) Explain the commercial argument for the proposed acquisition and provide copies of all documents prepared specifically to assess the proposed acquisition with respect to the market/s affected and the nature of those effects.

The primary rationale for the Proposed Transaction is to expand INNIO Group's service capabilities in South East Asia and Australia.

(c) Indicate whether the acquisition involves any additional commercial arrangements and describe those arrangements.

None.

(d) Provide a copy of the draft Sale or Purchase agreement.

A copy of the executed SPA is provided with this clearance notification.

4. Threshold

(a) What is the purchase price of the proposed transaction in terms of PNG Kina?

The purchase price of the shares the subject of the Proposed Transaction is [REDACTED] [REDACTED] shortly prior to the date of filing of this clearance notification) plus additional amounts, and less deductions, determined under [REDACTED] of the SPA.

(b) What are the market shares of the parties involved in the proposed transaction?

Market shares are difficult to determine with any precision due to the fragmented nature of the market however, it is confirmed that:

- the Applicant does not currently have any market share for the supply of reciprocating gas engines for power generation and gas compression as it does not directly supply any customers in PNG; and
- the Target is estimated to have less than approximately [REDACTED] of the PNG market for the supply of spare parts for oil & gas equipment, and engine and compressor maintenance services.

5. Background Information

(a) Describe the industry sector/s in which the acquisition relates.
(Refer to direction 6)

The Target operates in the market for the supply of aftermarket services (such as general repair, upgrades, commissioning, maintenance and provision of spare parts and equipment) of a select group of brands of gas compression, gas engines and energy infrastructure. Its business focus in PNG is limited, to supplying spare parts for oil & gas equipment, as well as engine and compressor maintenance services.

(b) Describe the area/s where there is an overlap in the operations of the Applicant and the Target and any related businesses of the merger parties
(Refer to direction 7)

There is no overlap of operations between the Applicant and the Target in markets in PNG for the following reasons:

- the Applicant has no presence, or any direct sales to customers, in the relevant markets in PNG during the current financial year (FY2025) or in the 2024 financial year; and
- no overlaps arise between the Applicant and the Target on any market in PNG.

For completeness, marginally overlapping activities exist outside of PNG with regard to the provision of *after-sale services* (i.e. workshop-based overhaul of cylinder heads) and for the sale of spare parts, while this does not affect any customers or markets in PNG.

(c) Provide details of any other acquisitions that may have been made by the Applicant or the Target Company and any other acquisitions made in the industry sector/s in the last five years

None that are relevant to any market in PNG.

(d) Provide details (if any) of existing vertical or horizontal relationship between the Applicant and the Target Company

There is no material horizontal or vertical overlap between the Applicant and the Target in PNG for the reasons stated in answer to question 5(b), above.

(e) Describe (if any) other cooperative agreements that the Applicant or Target Company may be a party to

As noted in answer to question 7(b) below, the Target is an authorised Waukesha channel partner however no Waukesha parts have been supplied by the Applicant to the Target in PNG under that arrangement (any supply of Waukesha parts between the Applicant and Target has occurred in territories outside PNG).

6. Market definition

Describe the relevant market/s the acquisition is most likely to have a competition effect on – this should include the market/s for the supply of goods and services and markets for the acquisition of goods and services.

(Refer to direction 8)

The national market for the supply of parts and servicing for reciprocating gas engines and compressors for power generation and gas compression.

7. Suppliers

(a) Describe the inputs into the production of goods or services by both the Applicant and the Target Company in the relevant market/s and indicate the value of those inputs as a proportion of total production. Where alternative inputs are available, provide a list of substitutes.

The Applicant does not currently carry on any business in PNG. Inputs to the supply of services by the Target primarily include the supply of parts from the suppliers identified in answer to question 7(b), below. For completeness, the Applicant has only supplied Waukesha parts to the Target outside of PNG. Only a limited number of those parts have been re-supplied by the Target to its customers in PNG. In particular, and as noted in answer to question 2(a)(iii), the Target has only supplied a limited number of Waukesha parts to two of its customers in PNG, [REDACTED], and [REDACTED].

(b) Provide the names and contact details of a representative selection of suppliers of inputs to both the Applicant and the Target Company in the relevant market/s

(Refer to direction 9)

The contact details for the Target's main suppliers of parts for use in PNG are as follows:

- **Howden Compressors** – Adreen Alva – Aftermarket Sales, Compression, adreen.alva@chartindustries.com;
- **Waukesha** – Enerflex Aus is an authorised Waukesha Channel Partner. Its contact person is Wade McNabb, Regional Sales Manager, wade.mcnabb@innio.com;
- **Johnson Controls (Frick)** – Terry Presley, Leader Technical Sales and Design, terry.presely@jci.com; and
- **Ariel Compressor** – Enerflex Aus is an authorised Ariel Distributor. Its contact person is Derek Kane, Sales Director, Asia, dkane@arielcorp.com.

(c) Describe any purchasing arrangements in place with each of the suppliers identified above and outline whether it is expected or anticipated that these arrangements will continue or be varied in any way post acquisition.

Commercial supply agreements are in place, which are expected to continue post-acquisition.

8. Competitors

(a) Provide details of alternative suppliers of products now or shortly to be competitive with, or otherwise substitutable for, goods or services produced by the Applicant and Target company in the relevant market/s

(Refer to direction 10)

The Target is not aware of any active *direct* competitors for the supply of its authorized engine and compressor brands' maintenance services in PNG to its current two customers. To its best knowledge, [REDACTED] have mainly been self-executing maintenance for several years.

The following companies also provide after-market services for energy infrastructure:

[REDACTED]

- (b) If the suppliers identified above do not produce goods or services which are substantially the same as those goods and services produced by the merger parties in the relevant market/s, explain why it is considered that these goods or services are viable alternatives.

Operating companies (such as [REDACTED]) are able to self-execute maintenance. They may also be able to source services from other suppliers to their global operations.

Further, for other brands of engines and compressors that the Target is not authorized to service, there will be alternative suppliers of equivalent services.

9. Customers

- (a) Provide the names and contact details of a representative selection of the customers of each of the merger parties in the relevant market/s
(Refer to direction 11)

The contact details for the Target's two customers in PNG are:

[REDACTED]

- (b) Describe the distribution channels available to the merger parties in supplying goods and services to customers and identify the relevant distribution channels in respect of each of the customers identified above.

The Target provides parts and services directly to its PNG customers. The Applicant does not currently carry on any business in PNG.

- (c) Describe the existing supply arrangements that the Applicant and Target Company have in place with the customers identified above and whether it is expected or anticipated that these arrangements will continue or be varied in anyway post-acquisition
(Refer to direction 12)

The arrangements between the Target and its customers are expected to continue post-acquisition.

10. Market concentration

Provide estimates of or actual current and post-acquisition market shares for the merger parties and market shares of the existing alternative suppliers or purchasers in the relevant market/s identified above.
(Refer to direction 13)

The market shares post-acquisition will remain unchanged given that the Applicant is not active in the relevant market.

11. Countervailing Power

- (a) Describe the relative strength of bargaining power possessed by customers of the products in the identified markets;

The relevant market involves the supply of both parts and equipment, and related labour services. The Target is an authorized channel partner/distributor for Ariel compressors parts and Waukesha gas engine parts in Australia. The Target's PNG revenue is largely driven by Ariel and Waukesha parts sales, or related labour services. For both brands, the OEMs require genuine parts and authorized technicians be used in order for customers to maintain warranty protection, and ensure maximum equipment life and reliability. The Target's only customers in PNG, [REDACTED], are both large multi-national operators with a low risk tolerance, and high reliance on maximum reliability of their revenue generating assets. They therefore typically insist on genuine OEM parts, and authorized technicians to work on, or supervise equipment maintenance.

Due to the PNG market for these parts and equipment products being small, there are no OEM nominated distributors of the products distributed by the Target in PNG. This means that PNG customers are not limited to any specific distributors and can purchase from any distributors of those products globally. This also provides PNG customers with meaningful countervailing power (including bargaining power) because they are able to bypass the Target, should they wish to do so.

With regard to labor services, the modest install base of Ariel compressors and Waukesha gas engines in PNG means that there are no permanently established service providers for these brands in PNG. As with the available options for sourcing parts, PNG customers can choose to procure services from authorized service providers throughout Asia Pacific, and globally, on a fly-in, fly-out basis.

If the Target's customers wished to switch to alternative providers post-Transaction, they could readily do so, and, having regard to the global operations and sophisticated procurement strategies of those customers, they are likely to already have contacts with alternative suppliers in other jurisdictions outside PNG.

- (b) Describe to what extent it is possible for customers to bypass the merger parties by either importing or producing the product or service themselves, vertically integrating, or utilizing an alternative supplier; and

As noted in answer to question 11(a), due to there being no prescribed PNG OEM distributors, the customers are free to choose and negotiate parts and services supply from a wide range of options. The Target is aware that the customers also continuously train their own employees to be able to deliver operations and low level maintenance tasks.

- (c) Describe the ability of suppliers to identify and switch to alternative customers.

For the reasons outlined above, suppliers of spare parts supply a range of customers (including end users and on-shore and off-shore aftermarket service providers) and will not be affected in their ability to supply those customers, including the Target Group.

(Refer to direction 14)

12. Imports

- (a) Provide estimates of the actual and potential level of import competition in the relevant market/s and details of the importers;

(Refer to direction 15)

The Applicant does not currently have accurate data about import competition in the relevant market.

(b) Provide historical importation figures;

As above.

(c) List which products are imported into the relevant market/s, and who undertakes the importation and their relative share of the market;

All inputs (workers, equipment and materials) required to carry out the Target's activities in PNG are imported. Spare parts are imported on an as-needed basis in order to enable the performance of aftermarket servicing.

(d) Show the relationship (if any) between domestic prices and import product prices; and

Not applicable as all products are imported into PNG (they are not available in domestic prices).

(e) Provide details of the extent of which imports provide a constraint on domestic suppliers including the merger parties in the relevant market/s post acquisition

Not applicable as all product is imported.

(Refer to direction 16)

13. Substitutes

Provide information concerning the extent to which substitutes are available in the relevant market/s or are likely to be available in the market

(Refer to direction 17)

Please see answers to questions 7 and 8, above.

14. Barriers to entry

(a) Provide details of any barriers to entry and expansion in the relevant market/s

(Refer to direction 18)

Barriers to entry are low. In any event, the Target's customers had been servicing their machines on their own in addition to engaging the Target to perform those aftermarket services.

(b) Provide details of the ability of any firm not currently producing goods or services in the relevant market/s but which could enter the relevant market quickly and provide an effective competitive constraint

Being a service business, new entry into the PNG market would be feasible by any experienced supplier of aftermarket services for gas compression, gas engine-power and energy infrastructure. Such a new entrant would be able to place personnel in-country, and import required repair equipment and spare parts to perform such services, including in direct competition with the Target.

(c) Provide details of any firms which have recently tried and failed to enter the relevant market/s, including the reasons (if known) for their failure

None of which the Applicant is aware.

15. Dynamic characteristics

Provide details of the dynamic characteristics of the relevant market/s, including growth, innovation and product and/or service differentiation.

(Refer to direction 19)

Growth: The Applicant expects that demand for natural and low-carbon energy systems in PNG will likely grow over the medium to long term. Aging gas production infrastructure and increasing demand provide opportunities for refurbishment and replacement of the products and equipment serviced by the Target.

Innovation: The OEM products serviced by the Target involve advanced technology and engineering. Changes in customer requirements influence innovation of OEM products, as does on-going research, development and testing undertaken by OEM's. The Target's skills and expertise must keep pace with those innovations in order to be able to supply and install parts and perform maintenance services for those OEM products. The importance and rate of innovation is therefore expected to be reasonably high in the market over the medium to long term.

Product and/or service differentiation: The market in which the Target operates in PNG is highly fragmented and competitive. As with the available options for sourcing OEM parts, PNG customers can choose to procure parts supply and maintenance services from authorised service providers throughout Asia Pacific, and globally, on a fly-in, fly-out basis.

16. Vigorous and effective competitor

Indicate whether the merger parties in the relevant market/s would separately be considered as a vigorous and effective competitor?

(Refer to direction 20)

The Applicant and the Target are not competitors of each other in any market in PNG, including for the reasons stated in answer to question 5(b), above.

17. Vertical integration

(a) Describe whether the proposed acquisition would, or would be likely to, result in vertical integration between firms involved at different functional levels in the relevant market/s

(Refer to direction 21)

There are minor vertical links between the INNIO Group and the Target Group, none of which present any vertical concerns on any plausible market in PNG for the reasons that follow.

Similar to other OEMs, such as [REDACTED] the INNIO Group provides the Target Group with spare parts in order to provide maintenance services to the Target Group's customers in PNG. However, the INNIO Group and Target Group do not have, nor are there any current plans to implement, any exclusive commercial arrangements or agreements between them and so the Target Group is free to source spare parts from elsewhere, should it wish to do so. OEMs can also switch to alternative service providers to the Target Group without restriction as they are not tied to only supplying their parts to the Target Group.

Neither the Applicant nor the Target have market power in any upstream or downstream market in PNG, and there is no ability or incentive to engage in foreclosure practices (e.g., relating to inputs, services, or customers) in any market in PNG because:

- the Applicant has no relevant activities in PNG;
- OEMs can switch to alternative service providers to the Target without restriction, thus limiting power the merged entity might have in the upstream market for the supply of parts;
- similarly, the Target has not contracted to supply its services on exclusive terms to any customer in PNG and so there is no restriction on those customers being able to cease acquiring services from the Target and switching to alternative service providers, thus limiting power the merged entity might have in the downstream market for the supply of services;
- the relevant aftermarket service markets are highly fragmented, allowing customers of the Target to switch to alternative service providers (or a combination of providers) without substantial costs or effort;
- the Target sells, among others, spare parts and components for certain Waukesha engines however to the best of the Target's knowledge [REDACTED]; and
- the Target's customers in PNG are well resourced and sophisticated infrastructure operators, such as [REDACTED] which often employ various gas engine brands in parallel, and who have in-house capabilities to service engines themselves.

Based on the above, the Applicant and Target have no economic incentive to reduce or restrict the provision of the Target's services in PNG, post-acquisition.

- (b) Describe the extent to which vertical integration currently exists, where either merger party currently operates as a customer or supplier to competitors in the relevant market/s: and

There is very limited vertical integration in the current market in PNG.

- (c) Describe whether the proposed acquisition is likely to increase the risk of coordinated behavior.

The Proposed Acquisition will not create any risk of coordinated behaviour in the relevant markets in PNG because those markets are highly fragmented, competitive and are not characterised by any market concentration.

18. Prices and profit margins

- (a) Provide details of recent and current levels of pricing in the relevant market/s including the use of rebates and discounts

Not relevant given the Applicant is not currently carrying on any business in PNG, so the Proposed Transaction will have no effect on any relevant market.

- (b) Provide details of supply costs of goods and services supplied by the merger parties including manufacturing, marketing and distribution costs in the relevant market/s

Not relevant given Applicant is not currently carrying-on any business in PNG, so the Proposed Transaction will have no effect on any relevant market.

- (c) Describe the competitive constraints, if any, which would, or would be likely to, prevent the merger parties from being able to significantly and sustainably increase, the prices paid by their customers, or lower the prices paid to

their suppliers, post-acquisition in the relevant market/s

Existing competitive restraints will remain unchanged and continue as the Applicant does not currently carry on any business in PNG, and due to the fragmented and competitive nature of the aftermarket servicing market.

- (d) Describe the impact of the acquisition on the potential for coordinated conduct between remaining competitors in the relevant market/s post-acquisition
(Refer to direction 22)

The Proposed Acquisition will not create any risk of coordinated behaviour in the relevant markets in PNG because the Applicant does not currently carry on any business in PNG, and in any event those markets are highly fragmented, competitive and are not characterised by any market concentration.

- (e) Describe the likely impact of the acquisition on the profit margins of the merger parties post-acquisition and the expected cause of any change

Since the Target provides services for different OEM brands and supply input from various suppliers, there will be no material difference in the profit margins.

19. Related markets

- (a) Describe the extent of complementarity between products supplied by the merger parties
(Refer to direction 23)

The Applicant's and the Target's offerings are complementary, not competitive substitutes.

- (b) Describe the extent to which the products identified above are, or could be, offered to customers as a product range through bundling or tying
(Refer to direction 24)

The INNIO Group and Target Group do not have, nor are there any current plans to implement, any exclusive, bundling or tying arrangements between them. The Target Group would remain free to source OEM spare parts from sources other than the INNIO Group, should it wish to do so.

In addition, there are no OEM nominated distributors of the OEM products distributed by the Target in PNG. PNG customers are therefore not limited to any specific distributors and can purchase from any distributors of those products globally.

In any event, as explained in answer to question 17(a) above, any attempt by the Applicant and Target to implement exclusivity or tying attempts post-acquisition, would likely be rejected by their customers (the merged entity is unlikely to have the bargaining power to secure such terms), or result in their customers (which are sophisticated and well-resourced businesses) switching to alternative suppliers of either OEM equipment/parts or maintenance services or both.

- (c) Describe the competitive constraints that would, or would be likely to, prevent such bundling or tying from significantly foreclosing the ability of the merged entity's competitors to compete, including foreclosure of access to distribution by the merged entity's competitors.

Existing competitive restraints will remain unchanged and continue as the Applicant does not currently carry on any current business in PNG, and due to the fragmented and competitive nature of the aftermarket servicing market. Further, customers will not be affected in their ability to take their servicing in-house (as some customers have done in the past), or switch to other aftermarket part and/or service providers.

20. Other grounds for grant of clearance

Outline any grounds for the granting by the Commission of the clearance not already addressed above.

The Proposed Transaction will not result in any substantial lessening of competition in PNG for the following reasons: **(i)** the Applicant is not resident or currently carrying on any business in PNG; **(ii)** the Applicant and the Target's offerings are complementary, not competitive substitutes; **(iii)** there are no material horizontal overlaps between the Applicant and the Target; **(iv)** the Proposed Transaction will not result in any vertical concerns; **(v)** the Target's activities in PNG are insignificant, comprising a small portion of the market; **(vi)** the relevant market is not concentrated; and **(vii)** customers in the relevant market enjoy meaningful countervailing power arising from their ability to bypass the Target through self-supply and/or switching to other service providers.

21. The counterfactual

Describe the likely state of the relevant market/s in the future if the proposed acquisition does not take place, giving reasons

If the proposed acquisition does not take place, the Target will continue its business in PNG and there will not be any appreciable impact on the relevant market in PNG.

22. International

(a) Does the acquisition involve:

(i) A company operating in PNG that has a foreign parent?

Yes. The Target, based in Australia, had a small turnover in PNG in 2024 and is owned by a foreign parent company. See answers to question 2(a), above.

(ii) PNG businesses or consumers affected by the proposed transaction occurring overseas?

The fact that the Proposed Transaction will occur overseas will not of itself cause PNG businesses or consumers to be affected.

(iii) Foreign consumers affected by the conduct occurring in PNG

Not applicable - the Proposed Transaction will occur outside PNG.

(b) Provide details of competition authorities in jurisdictions other than PNG to which the proposed acquisition has been, or is intended to be, notified and the timing of such notifications.

The Australian Competition and Consumer Commission (ACCC).

23. Further information

Name, postal address, telephone, facsimile and email contact details of the person authorized by the applicant to provide additional information in relation to this application.

Ryan Warokra, Partner
Corrs Chambers Westgarth

+675 303 9866

ryan.warokra@corrs.com.au

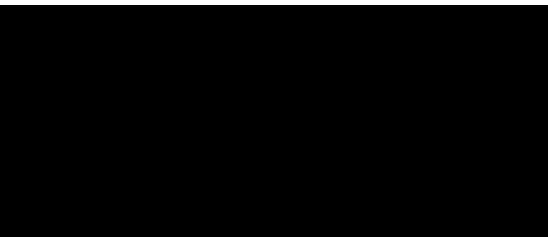
24. Information provided in relation to the target

Where the target has been consulted during the preparation of information provided in response to the questions contained in this form relating to the target, an authorized representative of the target must indicate here that information relating to the target is complete and accurate. Enerflex confirms that information relating to it in this Form 2 is complete and accurate.

SIGNED _____ (ABN 85 063 267 238) by its authorised representative in the presence of:

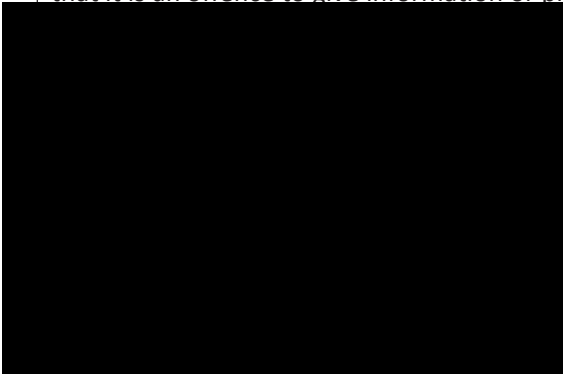


)
)
)
)
)
)
)
)



25. Declaration

The undersigned declare that, to the best of their knowledge and belief, the information given in response to the questions in this form is true and correct and complete, that complete copies of documents required by this form have been supplied, and that all estimates are identified as such and are their best estimates of the underlying facts and that all the opinions expressed are sincere. The undersigned are aware of section 128(4)(b) of the ICC Act, in that it is an offence to give information or provide an answer that is false in any particular.



Signature of authorized person

Office held

(Print) Name of authorized person

This 6th day of March 2026

DIRECTIONS

1. If you are an individual making this application on behalf of a company please state the name of the company. Note that the application must only be signed by a person authorized in writing by the company to do so and relevant correspondence confirming that the individual has been authorized to sign on behalf of the company must also be attached.

If the space on this form is insufficient to provide all the information required, the information must be provided on separate sheets of paper, numbered consecutively and signed by or on behalf of the applicant.

The Commission welcomes any other additional information that the applicant deems relevant in support of the application.

2. The response should detail the ownership structure, a list of the shareholders (where applicable) and the applicant's latest annual report (if any).
3. The response should disclose details of a holding company (if any) or subsidiary/ies (if any) as defined under *Section 5 of the Companies Act of 1997*.
4. The response must disclose details of a holding company (if any) or subsidiary/ies (if any) as defined under *Section 5 of the Companies Act of 1997*.
5. The response should disclose:
 - (a) the date the contract, arrangement, understanding or proposal was or is intended to be made,
 - (b) the date the public bid was advertised,
 - (c) the intended date the contract, arrangement, understanding or proposal was or is intended to be concluded,
 - (d) the intended date of consummation of the acquisition,
 - (e) the consideration proposed to be exchanged for the acquisition.

Also provide where possible, a copy of the contract, arrangement, understanding or proposal between the Applicant and the Target.

6. The response should include background information on the industry sector/s relating to the acquisition and the role of the Applicant and Target Company in the industry sector/s related to the acquisition. The information should also include a description of goods and services supplied both locally and internationally.
7. The response should detail all the goods and services produced and/or supplied and identify areas where there is an overlap (same or similar goods and services produced and/or supplied or same area of business conducted by the applicant and target) in the production and/or supply of goods and services by the Applicant and the Target.
8. In determining whether an acquisition breaches *Section 69* of the Act, an assessment of the relevant market/s must be made. The response must detail the product, functional, geographical and time dimensions of the market/s.
 - (a) The product dimension of the market must include the identification of goods and services supplied by the Applicant and the Target Company. The next step is to identify the goods or services that may be considered substitutable or interchangeable with goods and services supplied by the applicant and target by customers – Demand side substitutability. Also identify possibilities of customers to switch to alternative suppliers given a permanent price increase and other suppliers start producing the goods and services in question or produce a substitute product – Supply side substitutability.
 - (b) The functional dimension of the market must describe the vertical stages of productions and distribution that comprises the relevant arena of competition. Consider whether products produced or sold at several levels by vertically integrated firms, or by firms at another level of distribution than the merging firms, should be included in the relevant market because the exercise of market power at one stage of distribution can be constrained by firms at an adjacent level of distribution.
 - (c) The geographic dimension of the market must identify the areas over which the Applicant and the Target Company and their competitors currently supply, the relevant products and to which the customers could practically turn. Also identifies other areas where customers could purchase these products given the merged firms raise prices.
 - (d) The time dimension of the market must address the period over which substitution possibilities must be considered.
9. The response should provide details of at least 5 suppliers and should be an even representation of suppliers ranging from small, to medium and then to large suppliers. The response should also include a description of

the goods and services supplied by each of the suppliers and an estimated value of the goods and services supplied.

10. The response should include the location of each of the suppliers identified and the areas to which each of the identified entities supplies goods or services.
11. The response should provide details of at least 5 customers (if there are less, list all of them) and should be an even representation of the customers ranging from small, to medium and then to large customers and must include a description of the goods or services and the value of the goods and services purchased by these customers.
12. The response should provide details of any contracts, exclusivity rebates and discounts and identify any customers who have contracts which are about to expire within the next two years and indicate the supply volumes associated with such contracts.
13. The response should describe the market share of the suppliers or purchasers identified earlier, the market share of the Applicant and the market share of the Target Company in the relevant market/s over the last 5 years, including the total size of the domestic market. The documents relied upon to estimate the total market share sizes must be provided. The response should also include the number of buyers and sellers in the market.

Also outline the extent to which the Acquirer would be constrained in its actions by existing competitors in the relevant markets

14. The response should detail:
 - (a) the ability of competitors in the relevant market/s to increase supply,
 - (b) the ease with which customers could change suppliers including any switching costs that they would incur
 - (c) whether goods and services produced in the relevant market/s should be considered homogeneous or whether there are variations in price or quality and whether the relevant market/s are characterized by brand loyalty.
15. The response should detail whether it is viable for customers to import substitutes. Also indicate the origin of imports and address issues including but not limited to:
 - options for the transportation of imports (e.g. by air, sea or land);
 - transportation costs;
 - whether the product is a high or low value product;
 - whether the product is of high or low density; and
 - whether the product is durable for transportation without damage or deterioration in quality.

The response should also cover any barriers to importation in the relevant market/s including whether significant investment in facilities or in distribution arrangements is needed to facilitate importation.

16. The response should provide details of the price of actual or potential imports (including, additional costs such as freight and customs duties), whether existing import suppliers can accommodate a significant expansion in capacity without the need for significant investment and whether import competition would provide a constraint on companies post acquisition in the downstream market. The response should also include details of existing importers and their customers.
17. The response should cover relative capacities, cost structures and the cost of expansion in the market.
18. The response should detail –

- (a) the market conditions that may affect the ability to entry and the ability of existing firms to expand;
- (b) the nature and height of barriers to entry and expansion;
- (c) details of exit;
- (d) entry and expansion in the relevant market/s in the last 5 years;
- (e) any incentives or disincentives for new entry; and
- (f) effective competitor.

Barriers which must be addressed include, but are not limited to, the following:

- (a) Sunk costs in production capacity;
- (b) Accessing shelf space;
- (c) Advertising and promotion;
- (d) Legal and Regulatory restrictions such as licensing requirements, industry standards and capital requirements;
- (e) Requirement for scarce inputs;
- (f) the extent of Brand loyalty in the relevant market/s;
- (g) Minimum efficient scales of operation;
- (h) Goodwill;
- (i) Access to scarce resources such as intellectual property; and
- (j) Threat of retaliatory action by incumbents to new entry.

19. The response should have information including but not limited to the following –

- (a) Growth (whether the relevant market/s is/are growing or declining);
- (b) Levels of innovation;
- (c) Technological change (information on new technology used in production); and
- (d) Product and/or service differentiation in the relevant market/s.

20. The response should include information of merger parties' respective historical and current pricing, quality, after sales service and purchasing behavior. The response should also include merger parties' record of innovation, its growth relative to the growth of the relevant market/s, and its history of independent behavior.

21. The response should detail -

- (a) whether the Acquirer has market power in any market which could be leveraged into a vertically related market;
- (b) whether the target firm would have been a likely entrant to a vertically related market;
- (c) whether the merged firm will control access to an essential input;

22. The response should detail factors conducive to coordination in a market including, but not limited to, the following –

- (a) The number of participants in the relevant market/s
- (b) Transparency
- (c) Homogeneity of product
- (d) Homogeneity of firms
- (e) The size and frequency of purchases
- (f) The presence of the same firms in more than one market

23. The response should address the complementarity that occurs where there is significant commonality of customers' products and whether the strength of demand for one product is positively correlated with the strength of demand for another, either because the products form part of a range that distributors need to carry because they must be consumed together for technical reasons.

24. The response should detail the circumstances where two or more products are, or could be, supplied only as a bundle (pure bundling) or, if supplied individually, are also offered as a bundle as a price that is lower than the price charged if sold individually (mixed bundling). The response must also address circumstances where customers seeking to acquire one product are required also to purchase a second product or carry amounts of the second product (tying).

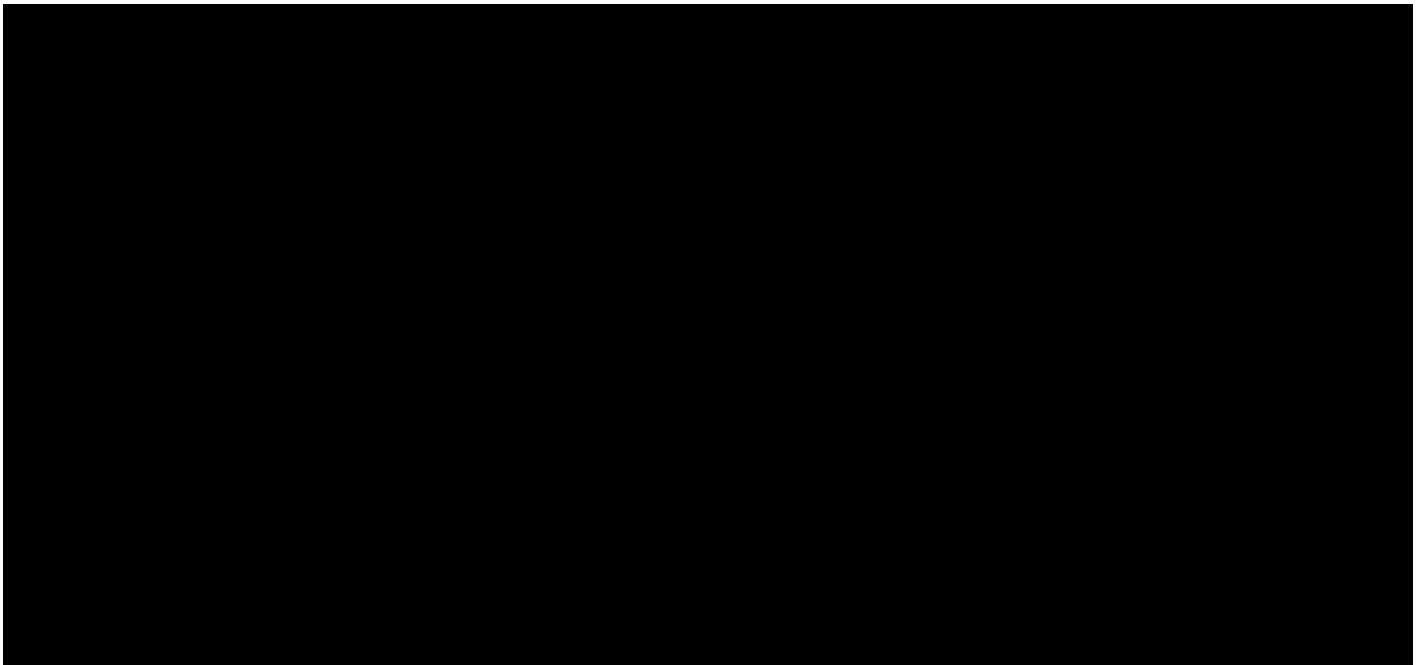
TINA - PNG MC - ICCC Application - Executed by EFX

Final Audit Report

2026-03-06

Created:	2026-03-06
By:	[REDACTED]
Status:	Signed
Transaction ID:	[REDACTED]

"TINA - PNG MC - ICCC Application - Executed by EFX" History



- ✔ Agreement completed.
2026-03-06 - 9:55:55 AM GMT



Powered by
Adobe
Acrobat Sign