



## Case M1216J

Proposed acquisition of International Energy Group Ltd  
(including Jersey Gas Company Ltd) by Ancala Investors  
(Seabird Acquisitions Bidco Ltd)

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## Decision

**Document No: CICRA 16/23**

**16 May 2016**

**Jersey Competition Regulatory Authority**

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## **Summary**

Ancala Investors, through its investment vehicle Seabird Acquisitions Bidco Limited proposes to acquire sole control of International Energy Group Limited (“IEG”) by acquisition of its entire share capital from its present owners. As a result, IEG will be ultimately owned by three of Ancala Investor’s investment funds and controlled by its general partner, Ancala Partners LLP (“Ancala”).

IEG’s group includes Jersey Gas Company Limited (“Jersey Gas”) and Kosangas (Jersey) Limited (“Kosangas”). As a result of the former’s share of supply in Jersey the transaction is notifiable to the JCRA for approval. It is not notifiable in Guernsey because it falls below the relevant threshold.

Ancala is an investment business which focusses on utilities and renewable energy. It does not own any other businesses in Jersey nor does it own any upstream gas market assets or associated businesses.

The JCRA has determined that there is no overlap of activities and there will be no substantial lessening of competition in any relevant market in Jersey and therefore approves the acquisition without conditions.

## **The Notified Transaction**

1. On 12 April 2016, pursuant to Article 21 of the Law, the JCRA received an application from Ancala Investors for approval of its acquisition of IEG.
2. The JCRA registered receipt of the application by posting a notice on its website on 13 April 2016. It invited comments by 5pm on 27 April 2016. No submissions were received.

## **The Parties**

3. Seabird Acquisitions Bidco, 22 Grenville Street, St Helier, Jersey JE4 8PX a company registered in Jersey. It is a wholly owned subsidiary of Ancala Utilities 1 LP, Ancala UK Infrastructure Platform A LP and Ancala UK Infrastructure Platform B LP (together the “Ancala Investors”); which are investment vehicles controlled by Ancala Partners LLP (“Ancala”), a partnership registered in England & Wales at 40 Gracechurch Street, London EC3V 0BT and registered at the same address.
4. International Energy Group Limited, Admiral Park, St Peter Port, Guernsey, GY1 3TB, is a company registered in Guernsey. Jersey Gas Company Limited (“Jersey Gas”) and Kosangas (Jersey) Limited (“Kosangas”) which have registered offices at Thomas Edge house, Tunnell Street, St Helier, Jersey. Both companies are wholly owned by IEG except for a small number of preference shares in Jersey Gas which are held by third party minority share holders.

### **Requirement for JCRA Approval**

5. Under Article 20(1) of the Law, certain mergers must be notified to, and approved by, the JCRA before they can be executed. On completion of the notified transaction, Ancala Investors will acquire 100% of the shares of, and hence sole control over, IEG.
6. Article 4 of the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the "Order") provides that if one or more of the parties to a proposed merger or acquisition has an existing share of 40% or more of the supply or purchase of goods or services of any description supplied to or purchased from persons in Jersey, then that merger must be notified to the JCRA under Article 20(1) of the Law.
7. Jersey Gas, which is a subsidiary of IEG, is the sole supplier of gas by network in Jersey to retail domestic, business and industrial customers. As such it has a 100% share of supply in that market. It is also the principal importer and supplier of bottled gas for the Jersey market and holds a share of supply of more than 40% in that market. Kosangas is a significant supplier of domestic gas appliances in Jersey and may also have a share of supply in excess of 40% in that market.
8. Therefore in accordance with Article 20(1) of the Law, the approval of the JCRA is required prior to the completion of this transaction.

### **Market Definition**

9. With no horizontal overlap and no vertical supply relationship between the parties, this transaction is essentially a change of ownership of IEG group and it is not essential to precisely define the market under consideration.
10. However, the principal markets in this decision are considered to be the markets for the storage, supply and distribution of gas to retail domestic, commercial and industrial customers in the island of Jersey that are connected to the Jersey gas network, the supply of bottled gas and the supply of gas appliances in Jersey and for Kosangas, the supply and distribution of liquefied petroleum gas (LPG) in Jersey.

### **Effect on Competition**

11. There is no overlap between the activities of the parties in Jersey. The acquirer does not own any other business in Jersey. Prior to the acquisition it has no Jersey turnover and there is no horizontal overlap in any market in Jersey.
12. Ancala does not own any other business which supplies or distributes gas or any business which supplies domestic gas appliances and is not active in any market upstream or downstream of the markets in which IEG is active.

**Third Party Views**

13. No third party concerns were raised in respect of the transaction.

**Conclusion**

14. Based on this analysis, there is no substantial lessening of competition in the island of Jersey and the JCRA hereby approves the proposed acquisition under Article 22(1) of the Law.

**16 May 2016**

**By order of the JCRA Board**