

**Simplified notification of concentration**

cf. the Norwegian Competition Act section 18 and the Regulation on the  
Notification of Concentrations section 3

between

**Point Resources AS**

and

**Assets belonging to**

**ExxonMobil Exploration and Production Norway AS**

Oslo, 05 April 2017

*Confidential*

*Contains business secrets*

**1. The notifying party**

The acquirer

Name: Point Resources AS  
Reg.no.: 998 852 722  
Address: Grundingen 3, 0250 Oslo

The acquirer's representative

Name: Advokatfirmaet BA-HR DA  
Contact person: Christoffer Mollestad  
Lawyer in charge: Thomas K. Svensen  
Address: Postboks 1524 Vika, NO-0117 Oslo  
Telephone: 21 00 00 50 / 97672898  
E-mail: chrmo@bahr.no

**2. Other involved party**

Name: ExxonMobil Exploration and Production Norway AS  
Reg.no.: 914 048 990  
Address: Grenseveien 6, 4313 Sandnes

The target business' representative

Name: Advokatfirmaet Schjødt AS  
Contact person: Olav Kolstad  
Address: Postboks 2444 Solli, 0201 Oslo  
Telephone: 22 01 88 00 / 478 71 010  
E-mail: olko@schjodt.no

**3. The Transaction**

This notification concerns the proposed acquisition by Point Resources AS ("Point Resources") of ExxonMobil Exploration and Production Norway AS' ("ExxonMobil", and jointly the "Parties") participating interests in production licences on the Norwegian Continental Shelf (the "Production Licences"), together with ExxonMobil's operatorship and organisation related to the Production Licences, which includes ca. 300 employees, the office building at Forus and PR Jotun DA which owns the FPSO vessel "Jotun A" (jointly referred to as the "Target Business", with the acquisition referred to as the "Transaction"). The underlying agreements for the Transaction were entered into by the Parties on 29 March 2017.

The Production Licences are comprised of the following four fields:

- Balder: PL001, PL028 and PL028S (ExxonMobil holds a 100% interest in all licenses).
- Ringhorne: PL027 and PL027C (ExxonMobil holds a 100% interest in both licenses).

- Ringhorne East: PL027 (ExxonMobil holds a 100% interest) and PL169E (ExxonMobil holds 13%, Statoil Petroleum AS 57% and Faroe Petroleum Norge AS 30%).

The Ringhorne East Area has been unitised, with ExxonMobil holding a 77.38% interest in the unitised area, Statoil Petroleum AS holding 14.82% and Faroe Petroleum Norge AS holding 7.8%.

- Jotun: PL027B (ExxonMobil holds a 100% interest) and PL103B (Aker BP ASA holds 70% and Faroe Petroleum Norge AS 30%).

The Jotun Area has been unitised, with ExxonMobil currently holding a 90% interest in the unitised area, Aker BP ASA holding 7% and Faroe Petroleum Norge AS holding 3%.

The Target Business constitutes a business with a market presence to which a turnover can clearly be attributed.<sup>1</sup> Accordingly, the proposed Transaction constitutes a concentration according to Section 17 of the Norwegian Competition Act. Completion is conditional on the approval of the Norwegian Competition Authority.

#### 4. Applicability of the simplified notification

The Parties submit that the Transaction fulfils the conditions for a simplified notification under Section 3 of the Regulation on the Notification of Concentrations.

First, as regards the absence of significant horizontal overlaps, it should be noted that Point Resources is jointly owned by funds managed by the private equity group HitecVision. The majority of these portfolio companies are active on markets within the broader oil and gas sector. The Target Business, Point Resources and HitecVision's portfolio companies Verus Petroleum UK and CapeOmega are all active on the upstream market for the wholesale and production of both crude oil and natural gas. However, their combined market shares are well below 20% on both relevant markets.

Second, as regards the absence of significant vertical relationships, even if all of the portfolio companies managed by HitecVision are taken into account, there would be no vertical relations in which these portfolio companies have markets shares exceeding 30%.

Consequently and as further described in Section 7 below, there are no markets affected by the Transaction and the Transaction therefore qualifies for a simplified notification in accordance with the Regulation on the Notification of Concentrations, Section 3, first paragraph, item 3, letter b and c.

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<sup>1</sup> Cf. The Competition Authority's Guidelines on the notification of a concentration, page 2; EU Commission, Consolidated Jurisdictional Guidelines, para. 24.

## 5. The involved parties' structure and area of business

### 5.1 Point Resources, HitecVision and HitecVision's portfolio

Point Resources was formed in early 2016 following the merger of three oil companies that were all controlled by funds managed by HitecVision: Pure E&P AS (previously Rocksource AS), Spike Exploration AS, and Core Energy AS. Point Resources is an independent exploration and production company active on the Norwegian Continental Shelf. Point Resources holds interests in three production fields: Snorre, Brage, Bøyla and Hyme (Hyme is currently not producing due to the upgrade of its host platform Njord), as well as in the Bauge, Pil & Bue, Brasse and Garantiana discoveries.

Point Resources is a portfolio company of the following HitecVision funds: HitecVision VII, L.P., HitecVision VI, L.P. and HitecVision V L.P. These are also the funds that previously controlled the constituent portfolio companies that merged to become Point Resources. The funds are advised by the Norwegian company HitecVision Advisory AS ("HitecVision Advisory"), which also advises two other funds with active investments, namely HitecVision IV L.P. and HitecVision Asset Solutions L.P. HitecVision Advisory is headquartered in Stavanger, with offices in Oslo and Houston, and is wholly-owned by HitecVision AS.

The HitecVision funds are focused on investments in enterprises within the offshore upstream oil and gas industry, including all segments of the oilfield services and technology sector as well as exploration and production companies, and have a total committed capital base of around USD 5 billion.

The HitecVision funds' portfolio companies had an aggregate turnover of ca. NOK [REDACTED] billion in 2015 from Norwegian customers, as well as a global turnover of ca. NOK [REDACTED] billion.

In addition to Point Resources, the HitecVision funds' current investment portfolios include the following undertakings:

#### 5.1.1 HitecVision Private Equity IV, L.P.

**Breimyra Invest AS** (formerly Aarbakke Group AS) is the holding company for Aarbakke AS and is active in the supply of manufacturing services to the oil and gas industry in Norway and internationally, specialising in the manufacture of subsea and downhole equipment.

**Apply AS** is comprised of a group of technology- and project management companies within the oil and gas industry. Apply is organised in four business areas: Upstream Facilities (engineering and projects), Living Quarters & Helidecks (offshore living quarter modules and helidecks), Rig & Modules (control systems and electro for offshore and maritime customers) and TB (electro and HVAC for land based construction work). Apply is operated from Norway but also has significant activities abroad.

**Subsea Technology Group** is an investment platform which includes Ross Offshore AS and Netscenario AS. Ross Offshore provides consultancy, engineering and project management services for the upstream oil and gas industry, including drilling and well management



services, reservoir management and supply chain management. Netscenario supplies high-end hosting solutions, and manages IT solutions for businesses in the oil and gas industry.

5.1.2 HitecVision V, L.P.

**Energy Products Holding AS** (former name **Axon Energy Products AS**) is an acquisition platform in the drilling and well equipment segment. The company is headquartered in Houston, USA, and consists of several companies, including Axon Pressure Products Inc. Axon Pressure Products designs, produces, and distributes pressure and drilling control systems for both surface and subsea applications.

**Align AS** is a provider of process and safety-critical products and solutions for the oil and gas industry and the maritime industry, focused on ensuring continuous operation, optimal production and low lifecycle costs.

**Agility Group AS** is a technology and fabrication company. The company delivers subsea fabrication services, with core competence in fabrication of subsea template and manifold systems, subsea processing systems and Subsea Umbilicals, Risers and Flowlines (“SURF”) structures, as well as compact deaeration solutions to the global oil and gas market. Agility Group focuses on medium sized projects, and operates out of a number of locations in Norway and Houston.

**Teresoft AS** is a supplier of drilling and well performance solutions. The company works closely with exploration and production (“E&P”) companies, operators, and service companies to help them save cost, improve safety, and increase efficiency of drilling operations. Teresoft has two business units: *eDrilling*, which consists of solutions for planning, training, drilling, and post-analysis/learning; and, *Oiltec*, which consists of solutions for drilling and crane simulation.

5.1.3 HitecVision Asset Solutions, L.P.

**Atlantica Tender Drilling Ltd.** is a Houston-based company which fabricates and operates tender drilling units. Tender drilling units are smaller drilling units where the drilling equipment is moved to fixed installations for drilling, while the tender drilling unit functions as a support vessel.

**OIH 2 AS (Ocean Installer)** was established by HitecVision in 2011 and provides full Engineering, Procurement, Construction and Installation (“EPCI”) services within the area of marine and subsea operations, offering turnkey solutions in the following segments: SURF; Inspection, Repair and Maintenance (“IRM”); survey; diving; and, trenching and rock dumping. Ocean Installer is based in Stavanger, with offices in Aberdeen, Houston, Mexico City, Dubai, Perth, and Rio de Janeiro. The company’s fleet is comprised of three purpose-built vessels.

5.1.4 HitecVision VI, L.P.

**Global Maritime Group Plc.** was formed by a merger of Global Maritime, Deep Sea Mooring AS and Vryhof Anchors B.V., and is a marine, offshore and engineering consultancy. Global Maritime Group is structured into five key business areas: consultancy and engineering;

marine warranty; marine contracting; mooring rental and services (formerly Deep Sea Mooring); and, technology and products (formerly Vryhof Anchors).

**Axis Offshore Pte. Ltd.** owns and operates high specification offshore accommodation & support vessels (floatels) servicing the offshore oil and gas industry. The company is a joint venture between Danish shipowner J. Lauritzen A/S and HitecVision. The company is based in Singapore.

**Momek Group AS** provides services to the oil and gas, mining and process industries. The company operates through three divisions: *fabrication and engineering*, delivering fabrication and assembly of machined parts and steel constructions; *maintenance and modification*, providing maintenance and modification services to the oil and gas, mining and process industries; and *civil division*, which performs civil construction services including new buildings, plant rehabilitation and repairs for the public and private sector. The company has its main office and fabrication facilities in Mo i Rana.

**Suretank Group Ltd.** is an Ireland-based manufacturer and supplier of containers and tanks for transport of, *inter alia*, chemicals to the offshore oil and gas industry. Suretank has design and manufacturing facilities in Ireland, UK, Poland, Thailand and China as well as sales offices in USA, Norway and Brazil.

**Energy Drilling Pte. Ltd.** is a tender drilling company offering cost-effective solutions to the offshore drilling market. Energy Drilling focuses on tender rigs, which are smaller drilling units where the drilling equipment is moved to fixed installations for drilling, while the tender rig functions as a support vessel. The company is based in Singapore.

**Offshore Merchant Partners AS** was formed in 2013 and is a company specialising in structuring, financing and management of offshore assets. Offshore Merchant Partners especially targets Northern European oil and gas related offshore asset markets.

**Verus Petroleum UK Ltd.** was formed in 2013 and is a production and development company focused on the UK Continental Shelf. The company was formerly named Bridge Energy UK and was part of the Bridge-Energy Group (which became Spike Exploration AS and is now a part of Point Resources). The company is based in Aberdeen, UK.

**Aquamarine Subsea AS** comprises the companies that previously constituted part of the Scana Group. Aquamarine Subsea is a service company providing asset integrity, management, and life cycle service solutions to riser and subsea equipment owners in the drilling, work-over and production markets worldwide.

**Flux Group AS** was established in 2014 and has since then invested in Flux Valvasion AS (formerly IKM Valves AS). Flux Group provides products and services across the flow and fluid control sector of the oil and gas industry, including valves, piping, hoses and couplings. Flux Group does also provide related services and maintenance.

## 5.1.5 HitecVision VII, L.P.

**Circle Group AS** was formed in 2014 as an acquisition platform within the oil and gas sector. In 2015, the company acquired WellPartner AS through its wholly-owned subsidiary Circle Group Well Services AS. WellPartner is a specialised oil service company providing equipment and technical services within subsea drilling, completion and intervention operations.

**CapeOmega AS** is an E&P company formed in 2014 focusing on mature oil and gas fields on the Norwegian Continental Shelf.

**Asset Buyout Partners AS** was formed in 2015 and is an industrial real estate investor that makes investments in Norwegian oil and gas assets, including properties in strategic oil and gas hubs.

**North Sea Strategic Investments AS** is an investment platform formed in 2015 to acquire shares in selected oil service companies listed on the Oslo Stock Exchange.

## 5.2 The Target Business

The Transaction involves the transfer of Production Licenses related to the Balder, Ringhorne, Ringhorne East and Jotun fields, as listed in Section 3 above, and ExxonMobil's operatorship related to these fields and the associated operator organisation.

The Production Licenses are operated in a highly integrated manner. The operation of the Balder, Ringhorne and Ringhorne East fields is integrated with the Jotun field mainly through the Jotun A FPSO.

The gas from the Production Licenses is exported to the Jotun A FPSO, and either exported via Gassled or used in gas lift operations. The oil from the Production Licenses is lifted on shuttle tankers from the Balder FPSO and the Jotun A FPSO and the vast majority of oil is transported to ExxonMobil's refinery at Slagentangen in Tønsberg, Norway, with occasional shipments to other European ports. All of the Production Licenses expire on 1 March 2030, except for PL027B and PL103B (Jotun) which expire on 1 March 2021.

Below is an overview of license information related to each of the Production Licences:

**The Balder field** is an oil field in the central part of the North Sea, at a water depth of 125 metres. The field is located about 200 km west of Stavanger. The field has been developed with subsea wells tied back to the Balder FPSO, which is 100% owned by ExxonMobil and which will be transferred to Point Resources together with the participating interest in the production licences for the Balder field. The plan for development and operation ("PDO") for Balder was approved in 1996 and production started in 1999.

The oil is transported by tankers to the Slagentangen refinery. Gas from the Balder field is transported to the Jotun A FPSO for further transportation via Gassled.

The Balder field is in the decline phase, but production is likely to continue until [REDACTED]  
[REDACTED] Several drilling



campaigns have been executed the last few years, and another campaign is set to start on Balder in the near future.

**The Ringhorne field** is located about 10 km north-east of the Balder FPSO. The field is developed with a combined accommodation, drilling and wellhead facility, tied back to the Balder FPSO and Jotun FPSO for processing, storage and export. The PDO for Ringhorne was approved in 2000 and production started in 2003.

The oil is transported by intrafield pipelines to the Balder FPSO or the Jotun A FPSO for storage and shipment. Gas from Ringhorne is transported to the Jotun A FPSO for further transport via Gassled.

The field is in the decline phase, but is expected to produce until [REDACTED] as new wells are expected to be drilled to prolong the lifetime of the field

**The Ringhorne East field** is an oil field northeast of Balder in the central part of the North Sea. The PDO for Ringhorne East was approved in 2005. The field is tied-in to the Ringhorne Platform and started production in 2006. The field is developed with four production wells.

Production from Ringhorne East is routed via the Ringhorne wellhead platform and further to the Balder FPSO for processing, storage and export.

The field is in the decline phase, but is expected to produce until [REDACTED]. A new production well was drilled and brought on-stream in 2012. New oil wells are being evaluated for possible drilling in the near future.

**The Jotun field** is an oil field 25 kilometres north of Balder in the central part of the North Sea. The PDO for Jotun was approved in 1997 and production started in 1999. Production was shut down at the end of 2016. The field was developed with a combined production, storage and offloading vessel (FPSO), Jotun A and a wellhead facility, Jotun B.

The Jotun A FPSO is an integrated part of the Balder and Ringhorne facilities as it processes and exports excess gas from Balder, as well as processing of oil and gas from Ringhorne. Rich gas is exported via Statpipe to Kårstø. The oil is exported via the production vessel at Jotun to tankers on the field. As an integrated part of the Transaction, Point Resources will also acquire the Jotun A FPSO.

The Jotun field ceased production on 12 December 2016.

## 6. Turnover

	Turnover in Norway (NOK)
HitecVision	[REDACTED]
Point Resources	1 783 831 411 (2015)
Target Business	[REDACTED]

## **7. No markets affected by the concentration**

### **7.1 No horizontal overlaps above 20%**

The Transaction gives rise to horizontal overlaps as the target business and Point Resources, as well as Verus Petroleum UK and CapeOmega, are active on the markets for the upstream wholesale of crude oil and natural gas (including development, production and wholesale). However, it should be emphasised that CapeOmega and Verus Petroleum UK do not operate any production activities and only hold minority interests in production licences.

The relevant geographic market has previously been held to be worldwide for the upstream wholesale of crude oil, whereas the market for the upstream wholesale of natural gas has been considered as EEA-wide.<sup>2</sup>

The combined market share resulting from the Transaction would be well below 20% even on the narrowest markets.

Accordingly, the Transaction does not give rise to any horizontally affected markets.

### **7.2 No vertical relationships above 30%**

It follows from the description of HitecVision's portfolio companies in Section 5 above, that the Transaction gives rise to several vertical relations between the acquirer's group and the target business.

The HitecVision portfolio companies are present on several markets, or segments thereof, that are vertically linked to the exploration and production of natural gas and crude oil. This includes the markets for Engineering, Procurement, Construction and Installation ("EPCI") services; Maintenance, Modification and Operation ("MMO") services; subsea production systems ("SPS"); Subsea umbilical riser & flowline ("SURF"); subsea well intervention access equipment and systems; and, other related products and services.<sup>3</sup>

The relevant geographic markets have generally been held to be EEA-wide or Worldwide with the notable exception of MMO services,<sup>4</sup> which has previously been held to be limited to the Norwegian Continental Shelf.<sup>5</sup>

As regards the specific vertical relations in the context of the present Transaction, the notifying party submits that the majority of HitecVision's portfolio companies are active primarily as sub-suppliers to larger oil service companies - typically providers of the full spectre of EPCI, MMO or SURF services - that contract directly with the E&P companies operating the oil fields. In such cases, the vertical relation between the acquirer's group

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<sup>2</sup> COMP/M.7318 - *Rosneft / Morgan Stanley Global Oil merchanting Unit*, para 11.

<sup>3</sup> COMP/M.8132 - *FMC Technologies / Technip*, COMP/M.6854 - *Cameron/Schlumberger/OneSubsea*.

<sup>4</sup> COMP/M.8132 - *FMC Technologies / Technip*, para 35 et seq, COMP/M.6854 - *Cameron/Schlumberger/OneSubsea*, para 26 et seq.

<sup>5</sup> COMP/M.7316 - *Det Norske Oljeselskap/ Marathon Oil Norge*, para 10 et seq.



and the target business is broken and therefore not relevant for the purposes of the merger control assessment.

In any case, none of the portfolio companies, whether in isolation or in combination, have a market share on any conceivable relevant product market which exceeds 30%. The Transaction therefore does not give rise to any affected vertical markets.

## 8. Most important customers, competitors and suppliers

As set out in Section 7.1, the Transaction gives rise to a horizontal overlap between the Target Business, Point Resources, CapeOmega and Verus Petroleum UK. Given that both CapeOmega and Verus Petroleum UK do not have an operational presence on the market, they do not have any relevant customers or suppliers.

### 8.1 Main customers

Point Resources

Company	Contact information
[REDACTED]	

## Target Business

Company	Contact information

## 8.2 Main competitors

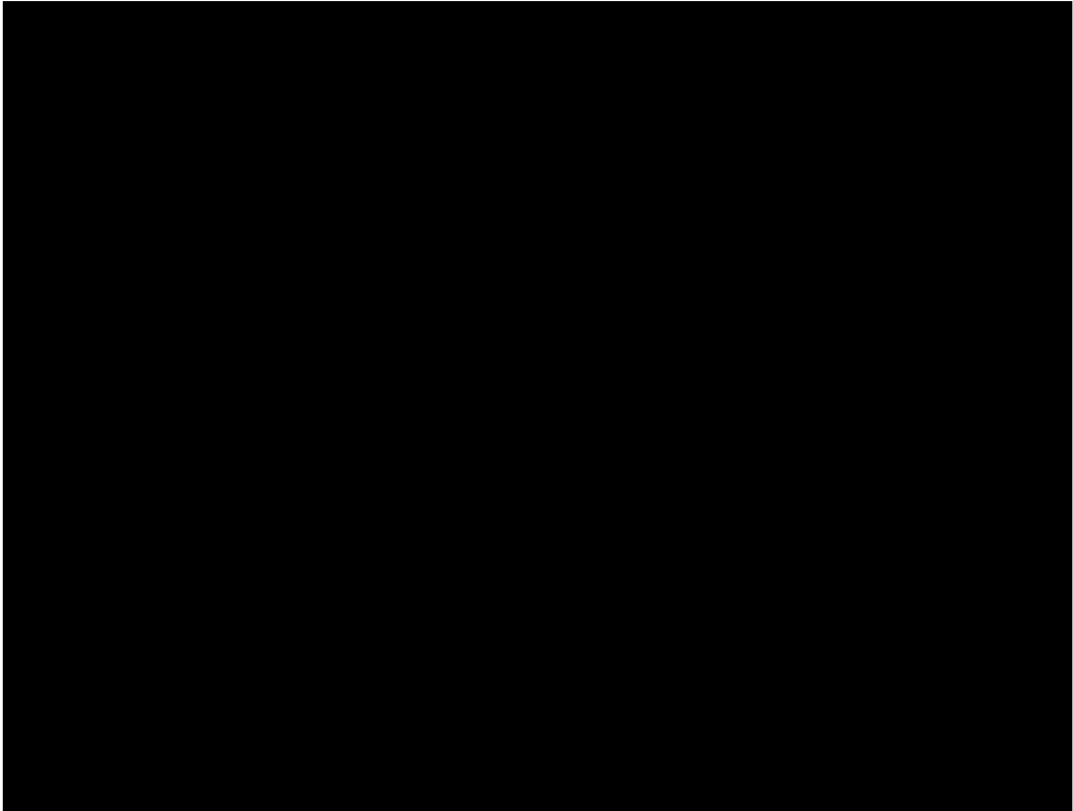
Given the nature of the market, which is dominated by global major oil companies, the Parties submit that they share the same competitors

Company	Contact information
Statoil ASA	Catherine Marchand Støle 957 33 886 Forusbeen 50, 4035 Stavanger
Total E&P Norge	Arild Kvanvik Jørgensen arild.jorgensen@ep.total.no Finnestadveien 44 ,4029 Stavanger
A/S Norske Shell	Hans Olav Holmen 975 52 412 Tankvegen 1, 4056 Tananger
Aker BP ASA	myndighetspost@akerbp.com Oksenøyveien 10, 1366 Lysaker
Chevron Norge AS	Hans Petter Nordby 906 54 831, hpno@chevron.com Sjølyst Atrium Karenslyst allé 2, 0278 Oslo

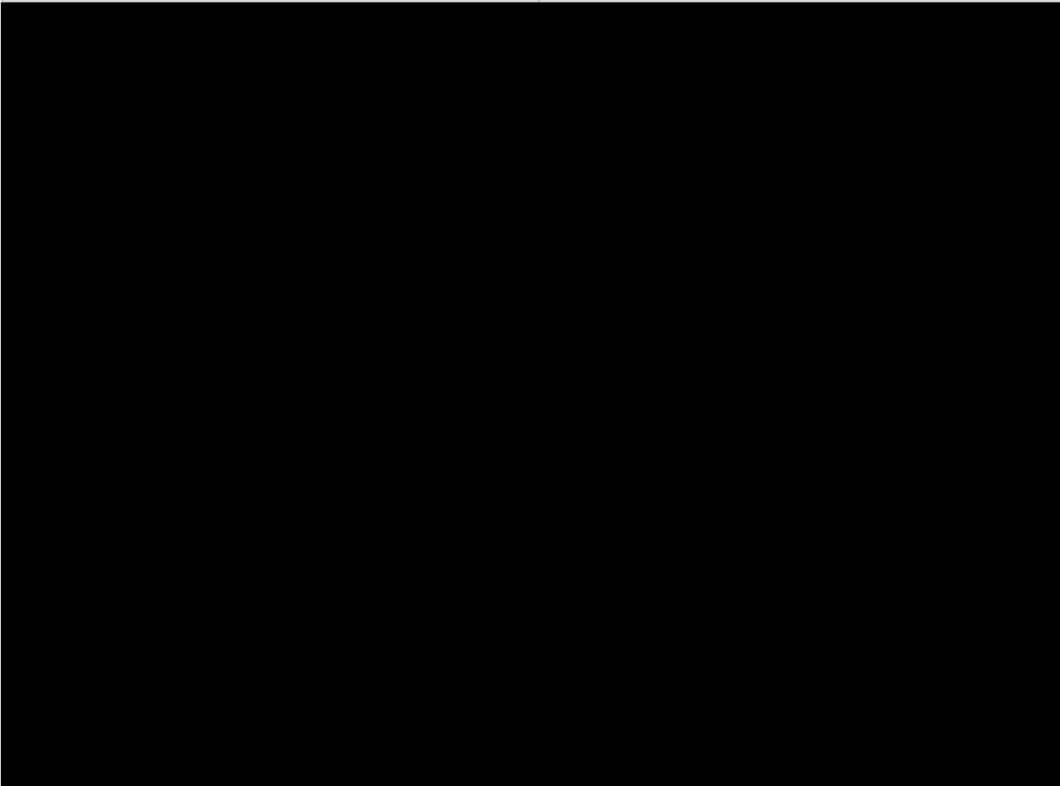
## 8.3 Main suppliers

## Point Resources

Company	Contact information



## Target Business

Company	Contact information
	

### 9. Annual reports

Being recently established, Point Resources does not yet have any annual reports. The annual reports of its predecessors Pure E&P AS, Spike Exploration AS, and Core Energy AS are publicly available.

The latest approved annual reports of HitecVision VII General Partner L.P., HitecVision VII (GP) Limited, HitecVision VII, L.P., HitecVision VI General Partner L.P., HitecVision VI (GP) Limited, HitecVision VI, L.P., HitecVision V General Partner L.P., HitecVision V (GP) Limited, and HitecVision V, L.P. are attached to the present notification as **Annex 1 - 9**.

The Target Business, being assets, does not constitute a legal entity under Norwegian corporate law and as such does not have distinct annual reports.

### 10. Other

Completion of the Transaction is contingent on approvals from: (i) the Ministry of Petroleum and Energy; and, (ii) the Ministry of Finance.

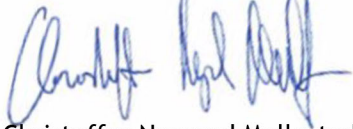
The Transaction will not be notified to any other competition authorities.

## 11. Confidentiality

The notification contains business secrets. Business secrets are marked with a yellow background. Grounds for the designation and removal of confidential business information are attached to the present notification as **Annex 10**.

Yours sincerely,

for Advokatfirmaet BA-HR DA



Christoffer Nygaard Mollestad  
Associate

Lawyer in charge: Thomas K. Svensen