

DETERMINATION OF MERGER NOTIFICATION M/25/015 – KLASS ENERGY/MCMULLEN OILS

Section 21 of the Competition Act 2002

Acquisition by Klass Securities Limited, through Klass Energy Limited, of sole control of McMullen Oils Limited

Dated: 9 April 2025

Introduction

1. On 27 February 2025, the Competition and Consumer Protection Commission (the “Commission”) received notification of a transaction to which section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), applies, namely the acquisition by Klass Securities Limited (“Klass Securities”), through Klass Energy Limited, of the entire issued share capital, and thus sole control, of McMullen Oils Limited (“McMullen Oils”) (the “Transaction”).¹

Putting the Transaction into Effect Prior to Commission Clearance

2. On 26 August 2024, the Commission became aware that Klass Securities had acquired McMullen Oils without the Parties notifying the Transaction to the Commission and that the Transaction was required, pursuant to section 18(1A) of the Act, to be notified to the Commission before being put into effect.
3. A failure to notify a proposed merger or acquisition to the Commission in accordance with section 18(1) of the Act prior to putting the merger or acquisition into effect is a criminal offence under section 18(9) of the Act. The Commission reserves its right to investigate any suspected breach of the notification requirements under section 18(1) of the Act arising in relation to the Transaction.
4. Pursuant to section 19(1) of the Act, any proposed merger or acquisition that is required to be notified to the Commission pursuant to section 18(1) of the Act shall not be put into effect

¹ In this determination, together Klass Securities and McMullen Oils are referred to as the “Parties”.

- until the Commission has made a determination in relation to such merger or acquisition (or until the statutory period for the Commission to make a determination in relation to such merger or acquisition has elapsed).
5. If a proposed merger or acquisition is purportedly put into effect in contravention of section 19(1) of the Act, such merger or acquisition is void, and shall remain void pursuant to section 19(2) of the Act until:
 - (i) the Commission informs the undertakings which made the notification that the merger or acquisition may be put into effect in accordance with section 21(2)(a); or,
 - (ii) where the Commission decides to carry out a full investigation under section 22 of the Act, a determination is issued under paragraph (a) or (c) of section 22(3) of the Act.
 6. Section 19(10) of the Act provides that it is a criminal offence to put a merger or acquisition into effect in contravention of section 19(1) of the Act.
 7. Section 18(12A) of the Act provides that the Commission may request or accept notification of a merger or acquisition which is required to be notified to the Commission pursuant to section 18(1) of the Act, but which was purported to have been put into effect without having been notified to the Commission. The Commission has accepted the notification of the Transaction in accordance with section 18(12A) of the Act and has proceeded to review the merger notification form submitted by the Parties on 27 February 2025 (the “Merger Notification Form”) in accordance with the relevant provisions of the Act.
 8. The Parties state in the Merger Notification Form that *“it would appear that the Transaction was notifiable to the [Commission] pursuant to Section 18(1)(a) of the [the Act] when the SPA was signed on 26 September 2023.”*² In the Merger Notification Form, the Parties informed the Commission that the Transaction was completed on 26 September 2023.³

The Transaction

9. The Transaction was implemented by way of a share purchase agreement dated 26 September 2023 between two private individuals, Harry McMullen and Orla McGahan (the shareholders of McMullen Oils, hereafter referred to as the “Vendors”), and Klass Energy Limited (the

² Merger Notification Form, page 4.

³ Merger Notification Form, page 1.

“SPA”). Pursuant to the SPA, Klass Securities, through Klass Energy Limited, acquired the entire issued share capital, and thus sole control, of McMullen Oils from the Vendors.

The Undertakings Involved

The Acquirer – Klass Securities

10. Klass Securities and its subsidiaries⁴ (together, the “Klass Oil Group”)⁵ operate oil and fuel distribution businesses across Leinster and in the Mid-West of the State. The Klass Oil Group supplies oil and fuel, including gas oils, kerosene, DERV,⁶ unleaded petrol, and Hydrotreated Vegetable Oil (“HVO”)⁷ to customers in the domestic, commercial and agricultural sectors.
11. For the financial year ending 31 December 2022, the Klass Oil Group’s total turnover was approximately €109.2 million, all of which was generated in the State.⁸ 2022 is the most recent financial year before the implementation of the Transaction.

The Target – McMullen Oils

12. Prior to implementation of the Transaction, McMullen Oils was an oil and fuel distributor based in Cootehill, County Cavan. McMullen Oils was involved in the sale and distribution of DERV, kerosene, lubricants, and marked gas oil.⁹ McMullen Oils operated in counties Cavan and Monaghan.¹⁰

⁴ Klass Home Energy Limited, Klass Oil Distributors Limited, Klass Energy Limited, Tommy Down Oil Distributors Limited and Sweedon Oil Limited (dormant entity).

⁵ Klass Oil Group is headquartered in Ashbourne, County Meath, and has eight local depots located in Clonalvy (County Dublin), Rathnew (County Wicklow), Kilcullen (County Kildare), Carlow (County Carlow), Mullingar (County Westmeath), Kinnegad (County Westmeath), and Athboy (County Meath).

⁶ “DERV” stands for Diesel Engine Road Vehicle, referring to a type of diesel fuel used primarily in trucks and other road vehicles. DERV may also be referred to as white diesel, road diesel, road DERV, or ultra-low sulphur diesel.

⁷ HVO is a diesel substitute with reduced carbon emissions.

⁸ Merger Notification Form, paragraph 3.2.

⁹ Marked gas oil (“MGO”) is diesel on which Mineral Oil Tax at a reduced rate has been paid on condition that it is used only for purposes that qualify for that reduced rate. It is chemically marked and dyed green to deter misuse for purposes to which a higher rate of tax applies.

¹⁰ Prior to the completion of the Transaction, the portion of the business relating to the wholesale supply of unleaded petrol to retailers (the “Petrol Business”) was transferred to another company, McMullen Retail Limited. McMullen Retail Limited was an existing company owned by the Vendors which operated a petrol station and shop. Consequently, the Transaction only concerns the acquisition of the distribution business of McMullen Oils relating to products other than unleaded petrol.

13. For the financial year ending 30 September 2022, McMullen Oils' total turnover was approximately € [REDACTED], all of which was generated in the State.¹¹

Rationale for the Transaction

14. The Parties state the following in the Merger Notification Form:

“Klass Energy [Limited] undertook the Transaction as it was not selling to end users operating in Counties Cavan and Monaghan prior to the Transaction and wanted to use the Transaction as a means of expanding its operations into the catchment area of McMullen Oils in the two counties.”¹²

Third-Party Submissions

15. No third-party submissions were received.

Industry Background

16. Fuel distribution involves selling refined fuel products to consumers, commercial entities (e.g., farmers), and domestic users (e.g., homeowners), typically delivered by rigid trucks. Fuel is supplied, for example, to households for heating (mainly kerosene) and to various businesses, including agriculture, fishing, haulage, and construction businesses. The fuel sold in the State is governed by EU standards.¹³

17. The Parties are involved in the distribution of:

- kerosene, used primarily for heating;
- gas oil, used in off-road vehicles and machinery; and,
- DERV, used in road vehicles.

18. Additionally, Klass Oil Group is (and was prior to the implementation of the Transaction) active in the distribution of:

¹¹ Merger Notification Form, paragraph 3.2. The figure provided does not include turnover generated by the Petrol Business during the relevant period. As explained above, the Petrol Business was transferred to another company prior to the completion of the Transaction and therefore did not form part of the Transaction.

¹² Merger Notification Form, paragraph 2.6.

¹³ The Fuel Quality Directive (Directive 98/70/EC) for example sets stringent quality requirements for petrol, diesel, and biofuels used in road transport, as well as gasoil used in non-road mobile machinery.

- Unleaded petrol, used in petrol engines; and
- HVO.

19. According to the Parties, the rising cost of credit and increased regulation related to trucks and depots are making it harder for smaller operators to remain profitable. Additionally, the Parties submit that the industry is generally in decline as government policies encourage the shift towards electric heating systems and vehicles.¹⁴ There are also targets for biofuel uptake in relation to the Climate Action Plan,¹⁵ which include carbon tax relief for HVO (which is distributed by Klass Oil Group) and other biofuels “*intended to promote a higher level of biofuel usage*”.¹⁶

Competitive Analysis

Horizontal overlap

20. There was a horizontal overlap between the Parties in respect of the sale of fuel to end users in the State. Specifically, in the sale of:
- kerosene;
 - gas oil; and,
 - DERV.

Vertical relationship

21. There was, at the time of the Transaction, a vertical relationship between the Parties in respect of Klass Oil Group’s wholesale supply of refined fuel products to McMullen Oils.

Relevant Markets

Product market

¹⁴ Merger Notification Form, paragraph 4.4(b).

¹⁵ Department of the Environment, Climate and Communications (2024) *Climate Action Plan 2024*. Available at: <https://www.gov.ie/en/publication/79659-climate-action-plan-2024/>. The Climate Action Plan outlines the Government’s strategy to reduce greenhouse gas emissions, transition to a low-carbon economy, and meet net-zero emissions by 2050, with specific actions across energy, transport, agriculture, construction, waste, and nature-based solution.

¹⁶ Department of the Environment, Climate and Communications (2024) *Climate Action Plan 2024*, page 246. Available at: <https://www.gov.ie/en/publication/79659-climate-action-plan-2024/>.

Views of the Parties

22. The Parties submit at paragraph 5.1 of the Merger Notification Form that “*the relevant product market in respect of the Transaction is the market in the direct supply of fuel to end users*”. With reference to the Commission’s decision in M/21/023 – *DCC Energy/Jones Oil*, the Parties further submitted that a narrow definition of the relevant product market would focus solely on the direct sale of fuel to end users, while a broader definition would encompass the wholesale supply of all types of refined fuel products, including both supply to resellers and direct sales to end users.¹⁷
23. In the Merger Notification Form, the Parties provided reference to further potential segmentations of the market, such as by fuel type (e.g., the distribution of kerosene versus the distribution of DERV). On 26 March 2025, the Commission’s case team sought further information from the Parties in relation to types of fuel they distribute. In their responses, the Parties confirmed that at the time of the implementation of the Transaction, both Klass Oil Group and McMullen Oils were active in the distribution (to end users) of:
- kerosene;
 - gas oil; and,
 - DERV.

Previous decisions of the Commission

24. In M/21/023 – *DCC Energy/Jones Oil*, the Commission assessed the proposed transaction in that case by reference to both a narrow market definition (the direct sale of fuel to end users) and a broader market definition (the wholesale supply of all types of refined fuel products, encompassing both wholesale supply to resellers and direct sales to end users). The Commission ultimately left open the precise market definition, concluding that that proposed transaction would not substantially lessen competition regardless of the market definition applied.¹⁸
25. The Commission has also previously considered whether the distribution of refined fuel products should be further segmented into various product segments. In M/18/075 –

¹⁷ Merger Notification Form, paragraph 5.1.

¹⁸ M/21/023 – *DCC Energy/Jones Oil*, page 6, paragraph 19. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-21-023-dcc-energy-jones-oil/>.

Irving/Tedcastles, without coming to a definitive view, the Commission assessed the proposed transaction by reference to the wholesale supply of gasoline (including biofuel), motor diesel (including biofuel), gas oil (10ppm and 1000ppm), and kerosene. The Commission analysed the impact of the proposed transaction in that case by reference to both narrow (the wholesale supply of refined fuel products by fuel type)¹⁹ and broad (the wholesale supply of all refined fuel products) potential product market definitions.²⁰

26. Regarding the direct supply of fuel to end users, in M/16/009 – *Tedcastles Oil Products (TOP)/Sirio Retail & Property*, the Commission considered a narrow product market definition for the sale of home heating oil. The Commission analysed the impact of the proposed transaction by reference to the “*narrowest possible relevant product markets i.e., the retail sale of each of motor fuels (diesel (DERV) and petrol), automotive lubricants and heating oil (kerosene and marked gas oil), with associated forecourt convenience stores*”.²¹

Views of the Commission

27. While there are instances of substitutability among fuel types, particularly within broader categories, many fuels are specialised and closely linked to specific applications, which limits their substitutability.
28. In relation to demand side substitutability within the Parties’ overlapping product segments, the Commission notes the following:
- (i) Kerosene: Primarily used for heating purposes, kerosene has limited substitutability with other fuels due to its specific properties, such as its high flash point and clean burning characteristics. Switching to alternatives like gas oil or diesel for heating may not be feasible without affecting efficiency and/or safety.²²
 - (ii) Gas oil: Used in off-road vehicles and machinery, gas oil has some substitutability with diesel, particularly in agricultural and construction

¹⁹ In M/18/075 – *Irving/Tedcastles*, “fuel type” referred each of the overlapping fuel product segments, namely gasoline (including biofuel), motor diesel (including biofuel), gas oil (10ppm and 1000ppm), kerosene, and fuel oil. Available at: <https://www.cccpc.ie/business/mergers-acquisitions/merger-notifications/m-18-075-irving-tedcastles/>.

²⁰ M/18/075 – *Irving/Tedcastles*, page 13, paragraph 39. Available at: <https://www.cccpc.ie/business/mergers-acquisitions/merger-notifications/m-18-075-irving-tedcastles/>.

²¹ M/16/009 – *Tedcastles / Sirio Retail & Sirio Property*, page 4, paragraph 17. Available at: <https://www.cccpc.ie/business/mergers-acquisitions/merger-notifications/m16009-tedcastles-oil-products-top-sirio-retail-property/>.

²² Alternative Fuels Data Center (n.d.) *Properties of Fuels*. Available at: <https://afdc.energy.gov/fuels/properties>.

applications. However, the specific requirements for off-road use, such as higher sulphur content, limits its substitutability with road diesel.²³

- (iii) DERV: Used in road vehicles, DERV has low substitutability with other fuels due to its specific properties, such as its low sulphur content and high cetane number. Switching to alternatives like biodiesel or HVO may be possible but only if the alternatives are compatible with the relevant engines and infrastructure.²⁴

29. In terms of supply side substitution, as neither of the Parties is involved in the import or refinement of fuel products, it has not been necessary to assess supply side substitution in the context of the Transaction.
30. In terms of demand side substitutability, the Commission observes that it may be the case that, given differences in end use and compatibility considerations, price increases in one fuel type, such as DERV, would not cause consumers to switch to the use of another fuel type. The Commission has not, however, assessed this in detail. This is because the Commission defines markets to the extent necessary depending on the particular circumstances of a given case.²⁵
31. In this instance, it is not necessary for the Commission to define the precise relevant product market since its conclusion on the competitive impact of the Transaction will be unaffected whether the product market is defined more broadly (i.e. the supply of all refined fuel products) or more narrowly (i.e. the supply of a particular fuel type). In this regard, at the upstream level, the Commission sees no reason to depart from its approach in M/21/023 – *DCC Energy/Jones Oil*, which considered the supply of all types of refined fuel products.
32. The Commission also examined whether the supply of refined fuel products should be segmented by customer type. It considers that its conclusions on the competitive effects of the Transaction would remain unchanged regardless of whether the relevant product market is defined broadly to include all customers of refined fuel products, or more narrowly to focus on specific customer groups such as end-users. Consistent with its approach in M/21/023 – *DCC Energy/Jones Oil*, the Commission has therefore assessed the Transaction by reference

²³ Mechanical Education (n.d.). *Fuel Definition, Types, Properties, Advantages, Disadvantages, Applications*. Available at: <https://www.mechanicaleducation.com/fuel-definition-types-properties-advantages-disadvantages-applications/>.

²⁴ Petro Solutions (n.d.) *Properties of Gasoline Fuel*. Available at: <https://thepetrosolutions.com/properties-of-gasoline-fuel/>.

²⁵ For the same reason, the Commission has not considered in detail supply-side substitution, that is, whether suppliers could profitably switch supply from fuel product A to fuel product B in response to a price increase for fuel product B.

to the overall supply of refined fuel products, encompassing both wholesale supply to resellers and direct sales to end-users.

33. On a similar basis at the downstream level, for the purposes of assessing whether the Transaction will result in a substantial lessening of competition, the Commission has analysed its impact by reference to: (a) the overall market for the direct supply of refined fuel products to end users; and (b) narrower potential product markets for the direct supply of refined fuel products to end users in each of the following segments: (i) kerosene; (ii) gas oil; and (iii) DERV.

Geographic market

Views of the Parties

34. The Parties submit at paragraph 5.1 of the Merger Notification Form that *“the most relevant geographic market is local as [the Parties’] direct sales are made locally.”*
35. The Parties further submit that the relevant catchment area in direct sales in any local part of the State will depend on factors such as *“the quality of the local road network and the demands of customers”*.²⁶ As such, the Parties suggest various catchment areas, the narrowest of which in relation to regions outside Dublin being approximately 35km or wider.²⁷

Previous decisions of the Commission and the European Commission

36. The European Commission (“EC”) has examined the distribution of refined fuel products with reference to various geographic segments. In Case COMP/M.4532 – *Lukoil/ConocoPhillips*, the EC noted that, in relation to the geographic scope of the markets for the non-retail sale of refined oil products, its decisional practice included assessments of *“regional, national or larger than national markets”* potential markets.²⁸ The EC left open the precise market definition, noting that the proposed transaction would not raise competition concerns regardless of the market definition applied.²⁹

²⁶ Merger Notification Form, page 19, paragraph 5.2.

²⁷ Merger Notification Form, page 19, paragraph 5.2.

²⁸ COMP/M.4532 – *Lukoil/ConocoPhillips*, page 3, paragraph 18. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m4532_20070221_20310_en.pdf. The Commission notes that this decision related to the wholesale supply of fuel products, and not the sale to end users as in the Transaction.

²⁹ COMP/M.4532 – *Lukoil/ConocoPhillips*, page 4, paragraph 20. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m4532_20070221_20310_en.pdf.

37. As regards the relevant geographic market, the Commission's analysis in *DCC Energy/Jones Oil* considered the potential market for the direct sale of fuel to end users in the State.³⁰ In *M/18/075 – Irving/Tedcastles*, which concerned the wholesale (non-retail) supply of refined fuel products to resellers/retailers, the Commission assessed the competitive effects of the proposed transaction on both a national and regional basis. The regional assessment focused on areas within a 150-kilometre radius of those parties' respective refineries.³¹

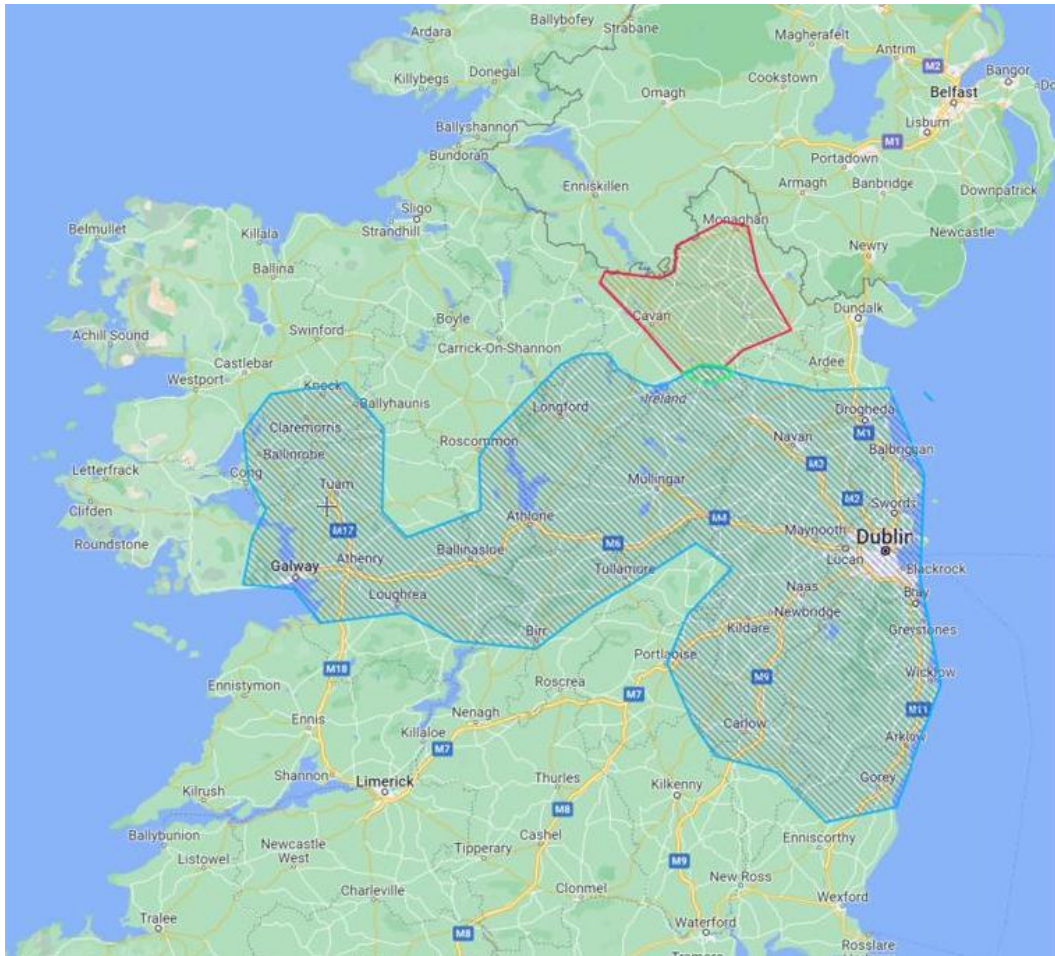
Views of the Commission

38. As stated above, Klass Oil Group operates an extensive network across Leinster and the Mid-West of Ireland. Prior to the Transaction, McMullen Oils was a smaller oil and fuel distributor based in Cootehill, County Cavan, primarily operating in Counties Cavan and Monaghan.
39. Figure 1 below provides the geographic coverage of the Parties in relation to the sale of fuel products to end users in the State before the Transaction.

Figure 1: Geographic coverage of Klass Oil Group (blue), McMullen Oils (red); with their area of overlap (green).

³⁰ M/21/023 – *DCC Energy / Jones Oil*, paragraphs 22 and 23. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-21-023-dcc-energy-jones-oil/>.

³¹ M/18/075 – *Irving Tedcastles*, paragraph 42. Available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/09/M.18.075-Irving-Tedcastles-Public-Version.pdf>.

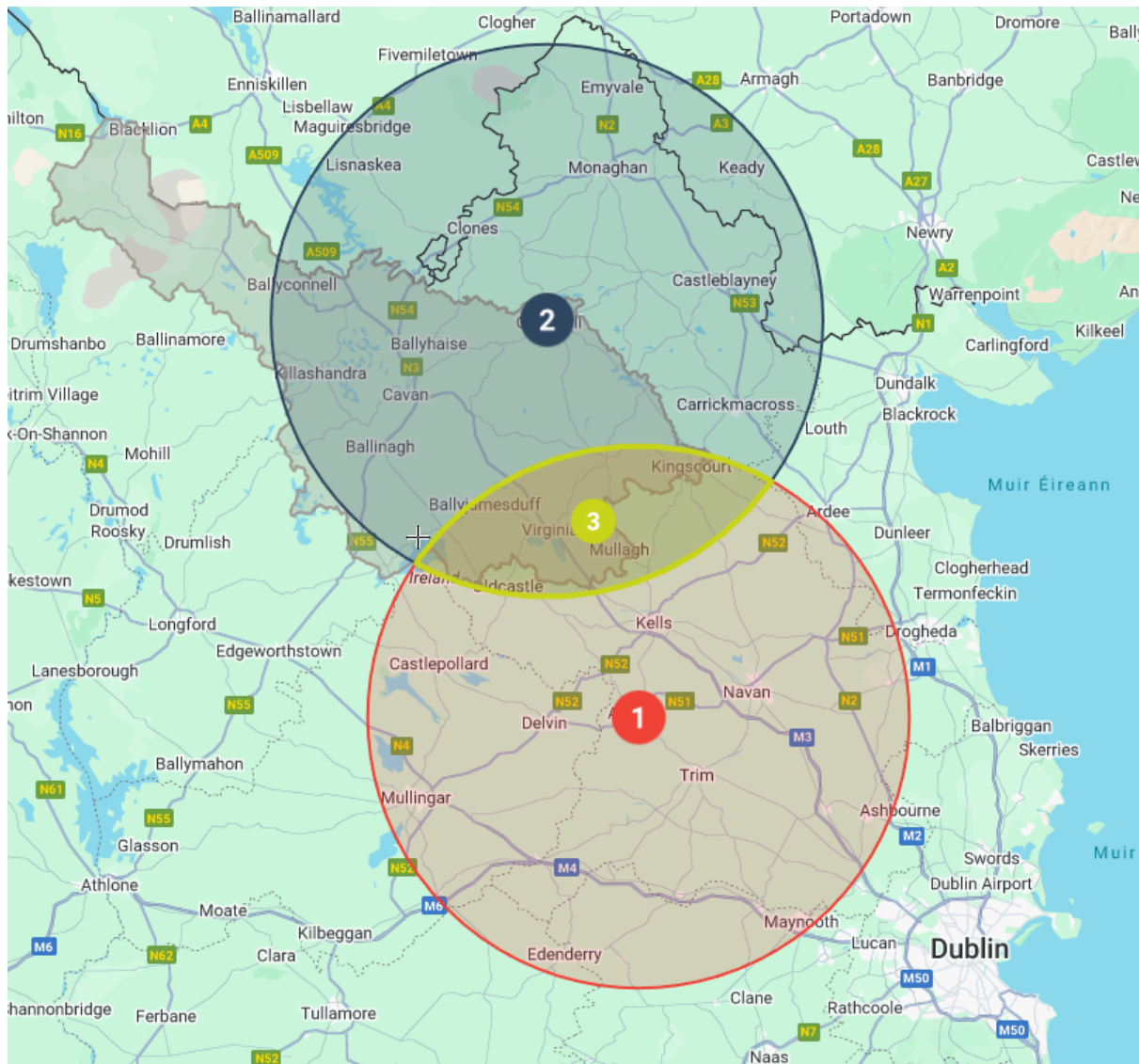


Source: Annex 4.3(b) of the Merger Notification Form.

40. The distance between the Parties' closest fuel depots is approximately 52km (straight line distance).³² As such, and taking into account the Parties' points outlined above at paragraphs 34 and 35, the Commission considered it an appropriate starting point to assess the Transaction based on a catchment area encompassing a 35km radius surrounding each of the Parties' depots.
41. Figure 2 below displays the overlap between the Parties, based on a 35km radius catchment area. The red circle (1) depicts the 35km radius catchment area around Klass Oil Group's depot in Athboy, County Meath; the blue circle (2) depicts the 35km radius catchment area around McMullen Oils' depot in Cootehill, County Cavan; and the green intersection (3) depicts the only area of overlap between the Parties based on these 35km catchment areas.

Figure 2: Overlap between the Parties, based on 35km catchment areas

³² The depots in question are Klass Oil Group's depot in Athboy, County Meath and McMullen Oils' depot in Cootehill, County Cavan.



Source: The Commission

42. As seen above, whether assessed by reference to the locations of the Parties' respective customer bases (Figure 1), or to a 35 km catchment area around their depots (Figure 2), the Parties' primary area of overlap in both cases lies within County Cavan. Furthermore, as Klass Oil Group's closest depot to McMullen Oils is located in Athboy, County Meath, the portion of McMullen Oils' catchment area most likely to be affected by the Transaction is the Cavan side of the overlap, as the Monaghan side lies further from Klass Oil Group's depot.

43. In assessing the competitive effects of the Transaction, the Commission notes that the most reliable data in relation to relevant markets is provided on a county-wide basis.³³ Accordingly, County Cavan has been adopted as a proxy for the area of overlap at the local level. This is considered appropriate because the availability of market data for County Cavan enables accurate calculation of market shares and identification of competitors; the area of overlap between the Parties in the present case accounts for approximately one-third of County Cavan's population,³⁴ providing a significant and representative basis for analysis; and when applying the suggested 35km radius catchments, the vast majority of the overlap lies within County Cavan.
44. To further test the robustness of this approach, the Commission carried out a sensitivity analysis focused on Virginia, a town located within the overlap zone. This analysis examined the competitive landscape within a 35km radius of Virginia and is outlined below from paragraph 58 onwards.
45. The Commission notes that, regardless of whether the potential geographic market for the distribution of refined fuel products to end users is defined narrowly, (i.e., regional or local), or more broadly (i.e., national), it does not alter the Commission's conclusion on the competitive impact of the Transaction. On that basis, the Commission finds no reason to depart from previous decisional practice³⁵ and has therefore assessed the Transaction on both a national basis, and, in respect of the supply of refined fuel products to end users, on a local basis with reference to the areas where both the Parties were active at the time of the Transaction, namely, in County Cavan.³⁶

Conclusion on relevant markets

46. For the purposes of carrying out its competitive assessment of the Transaction, the Commission has assessed the Transaction by reference to the potential markets for:
- the distribution of all refined fuel products to end users in the State;

³³ The Central Statistics Office (the "CSO") publishes Fuel Oil Movements data based on returns from mineral oil traders, providing statistics on final fuel sales (i.e. movements to final customers) by fuel type and distribution channel, with data compiled at national and county level. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-fom/fueloilmovements2023/>.

³⁴ Based on 2022 "small area" census data, as published by the CSO. See: [cso.ie \(2025\) Census 2022 Small Area Population Statistics](https://www.cso.ie/en/census/census2022/census2022smallareapopulationstatistics/). Available at: <https://www.cso.ie/en/census/census2022/census2022smallareapopulationstatistics/>.

³⁵ M/21/023 - *DCC Energy/Jones Oil*, page 7, paragraph 22. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-21-023-dcc-energy-jones-oil/>.

³⁶The Parties are both active in County Cavan, this is the only area of local overlap.

- the distribution of all refined fuel products to end users in County Cavan;
- the distribution of refined fuel products, segmented by fuel type (kerosene; gas oil; DERV) to end users in the State;
- the distribution of refined fuel products, segmented by fuel type (kerosene; gas oil; DERV) to end users in County Cavan; and
- the wholesale distribution of all refined fuel products in the State

Horizontal Competitive Assessment

The distribution of all refined fuel products to end users

The State

47. The Commission has considered whether distributors of all refined fuel products in the State have the ability to provide their services on a national scale. To this effect, the Parties submit at paragraph 4.4 of the Merger Notification Form that a “*small number of companies operate on a national basis, for example, Certa [Energy Limited]³⁷, but most companies operate on a regional basis*”. The Parties note that some regional suppliers such as East Cork Oil Company Unlimited Company (“East Cork Oil”)³⁸ are in the process of expanding their operations to cover larger areas within the State.³⁹
48. Table 1 below provides the Parties’ market share estimates for the distribution of all fuel products to end users in the State in 2022 (i.e., the most recent year prior to the implementation of the Transaction). These estimates are based on the volume of fuel sold by each of the Parties;⁴⁰ and data published by the CSO⁴¹ and the National Oil Reserves Agency (“NORA”).⁴²

Table 1: The distribution of all refined fuel products to end users in the State 2022.

³⁷ Certa Energy Limited, CRO number 118120 (“Certa”).

³⁸ East Cork Oil Company Unlimited Company, CRO number 48971.

³⁹ Merger Notification Form, page 13, paragraph 4.4.(a).

⁴⁰ Provided in correspondence with Klass Oil Group’s legal representatives, dated 27 March 2025.

⁴¹ Central Statistics Office (2022) *Fuel and Oil Movements 2022*. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-fom/fueloilmovements2022/#:~:text=Dublin%20city%20accounted%20for%2017,Figure%20%20and%20Table%20A>.

⁴² National Oil Reserves Agency (2023) *Volumes of Oil Consumption subject to NORA Levy and Biofuel Levy Month by Month in Litres*. Available at: <https://www.nora.ie/volumes-of-oil-consumption>.

Party	Fuel sold ('000 litres)	Estimated share (%)
Klass Oil Group	██████	[0–5]
McMullen Oils	██████	[0–5]
The Parties (combined)	██████	[0–5]
Others	██████████	[95–100]
Total estimated market size	6,451,609	100

Source: The Parties; NORA; and CSO data.

49. The Parties' estimated combined share of the distribution of all refined fuel products to end users in the State was therefore relatively modest at approximately [0–5]%, with a small, estimated increment of [0–5]% arising from the Transaction.
50. Table 2 below provides the merged entity's market share estimates for the distribution of all refined fuel products to end users in the State in 2024 (the most recent financial year at the time of the determination). These estimates are based on the volume of fuel sold by the merged entity; and data published by the CSO and NORA.

Table 2: The distribution of all refined fuel products to end users in the State in 2024.

Party	Fuel sold ('000 litres)	Estimated share (%)
The merged entity	██████	[0–5]
Others	██████████	[95–100]
Total estimated market size	6,619,411	100

Source: The Parties; NORA; and CSO data.

51. The merged entity continues to face competition from a range of distributors of scale such as East Cork Oil, Tedcastles Oil Products Unlimited Company (“Top Oil”),⁴³ Corrib Oil Company Unlimited Company (“Corrib Oil”),⁴⁴ Certa and others.⁴⁵

County Cavan

52. Table 3 below provides market share estimates for the Parties in relation to the distribution of all refined fuel products to end users in County Cavan in 2022.⁴⁶

Table 3: The distribution of all refined fuel products to end users in County Cavan in 2022.

Party	Fuel sold ('000 litres)	Estimated share (%)
Klass Oil Group	■	[0–5]
McMullen Oils	■	[0–5]
The Parties (combined)	■	[0–5]
Others	■	[95–100]
Total estimated market size	141,484	100

Source: The Parties; CSO data.

53. As shown above in Table 3, the Parties’ estimated combined share of the distribution of all refined fuel products in County Cavan in 2022 was approximately [0–5]%.
54. Table 4 below provides market share estimates for the merged entity in relation to the distribution of all refined fuel products to end users in County Cavan in 2024.⁴⁷

⁴³ Tedcastles Oil Products Unlimited Company, CRO number 18083.

⁴⁴ Corrib Oil Company Unlimited Company, CRO number 117390.

⁴⁵ Fuel Oil News (2025) *Top fuel oil distributors*. Available at: <https://fueloilnews.co.uk/top-fuel-oil-distributors/> (Accessed: 27 March 2025). The Commission notes that according to Fuel Oil News, which estimates the size of fuel distributors based on the number of tankers that each has in operation, the competitors named at paragraph 51 are significantly larger than Klass Oil Group (at least double in most cases).

⁴⁶ Central Statistics Office (2024) *Fuel and Oil Movements 2022*. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-fom/fueloilmovements2022/#:~:text=Dublin%20city%20accounted%20for%2017,Figure%20%20and%20Table%20A>. The total market fuel estimate includes available data in relation to kerosene, auto diesel, un-leaded petrol, and gas oil.

⁴⁷ Central Statistics Office (2024) *Fuel and Oil Movements 2022*. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-fom/fueloilmovements2022/#:~:text=Dublin%20city%20accounted%20for%2017,Figure%20%20and%20Table%20A>. The total market fuel estimate includes available data in relation to kerosene, auto diesel, un-leaded petrol, and gas oil.

Table 4: The distribution of all refined fuel products to end users in County Cavan in 2024.

Party	Fuel sold ('000 litres)	Estimated share (%)
The merged entity	██████	[5–10]
Others	██████	[90–95]
Total estimated market size	148,102	100

Source: The Parties; CSO data.

55. There are a number of independent comparison websites that enable consumers to compare local fuel prices. Cheapest Oil Limited operates one such site that provides pricing information on a county-by-county basis.⁴⁸ As shown below in Table 5, Cheapest Oil Limited lists approximately 10 competing fuel distributors as being active in County Cavan.

56. Table 5 below provides a list of kerosene prices for several competitors of the Parties operating in County Cavan.

Table 5: Kerosene price comparison of fuel distributors (competitors of the Parties) in County Cavan, 25 March 2025.

Supplier	Price: 300 litres	Price: 500 litres	Price: 1000 litres
5 Star Fuels ⁴⁹	€290 (96.7 cpl)	€465 (93 cpl)	€930 (93 cpl)
Curran Oil ⁵⁰	€295 (98.3 cpl)	€470 (94 cpl)	€940 (94 cpl)
Duffy Oils ⁵¹	€305 (101.7 cpl)	€475 (95 cpl)	€930 (93 cpl)
Breffni Oils ⁵²	€299 (99.7 cpl)	€475 (95 cpl)	€945 (94.5 cpl)

⁴⁸ Cheapest Oil Ltd, registered in Northern Ireland under company no. NI 071311 ("Cheapest Oil").

⁴⁹ HPH Fuels Limited, CRO number 568365 ("5 Star Fuels").

⁵⁰ Curran Oil, business name registered under CRO number 291206 ("Curran Oil").

⁵¹ Duffy Oils Limited, CRO number 454063 ("Duffy Oils").

⁵² Breffni Oil Distributors Limited, CRO number 84126 ("Breffni Oils").

Corrib Oil	€300 (100 cpl)	€475 (95 cpl)	€950 (95 cpl)
Certa	€303 (101 cpl)	€480 (96 cpl)	€945 (94.5 cpl)
Top Oil	€304.99 (101.7 cpl)	€484.99 (97 cpl)	€954.99 (95.5 cpl)
Skelly Oil ⁵³	€310 (103.3 cpl)	€485 (97 cpl)	€940 (94 cpl)
McCaughey Fuels ⁵⁴	€320 (106.7 cpl)	€490 (98 cpl)	€930 (93 cpl)
Gibney Oil ⁵⁵	€315 (105 cpl)	€490 (98 cpl)	€950 (95 cpl)

Source: *Cheapest Oil.ie*.⁵⁶

57. The Commission considers that the Transaction has not to date, and will not limit, consumers' choice of fuel distributors, and that consumers will continue to have access to a wide range of fuel distributors. The merged entity continues to face competition from national distributors (such as East Cork Oil, Top Oil, and Certa), and smaller regional fuel providers, who continue to exert a competitive constraint on the merged entity in the distribution of all refined fuel products to end users in the State.

Sensitivity Analysis

58. As noted above at paragraph 44, the Commission conducted a sensitivity analysis around Virginia, a town in County Cavan that lies within the overlap of the 35km catchment areas around Klass Oil Group's depot in Athboy, County Meath; and McMullen Oils' depot in Cootehill, County Cavan.

59. Figure 3 below displays the overlap between the Parties, based on a 35km radius catchment area. The red circle (1) depicts the 35km radius catchment area around Klass Oil Group's depot

⁵³ Skelly Oil Services Limited, CRO number 267165 ("Skelly Oil").

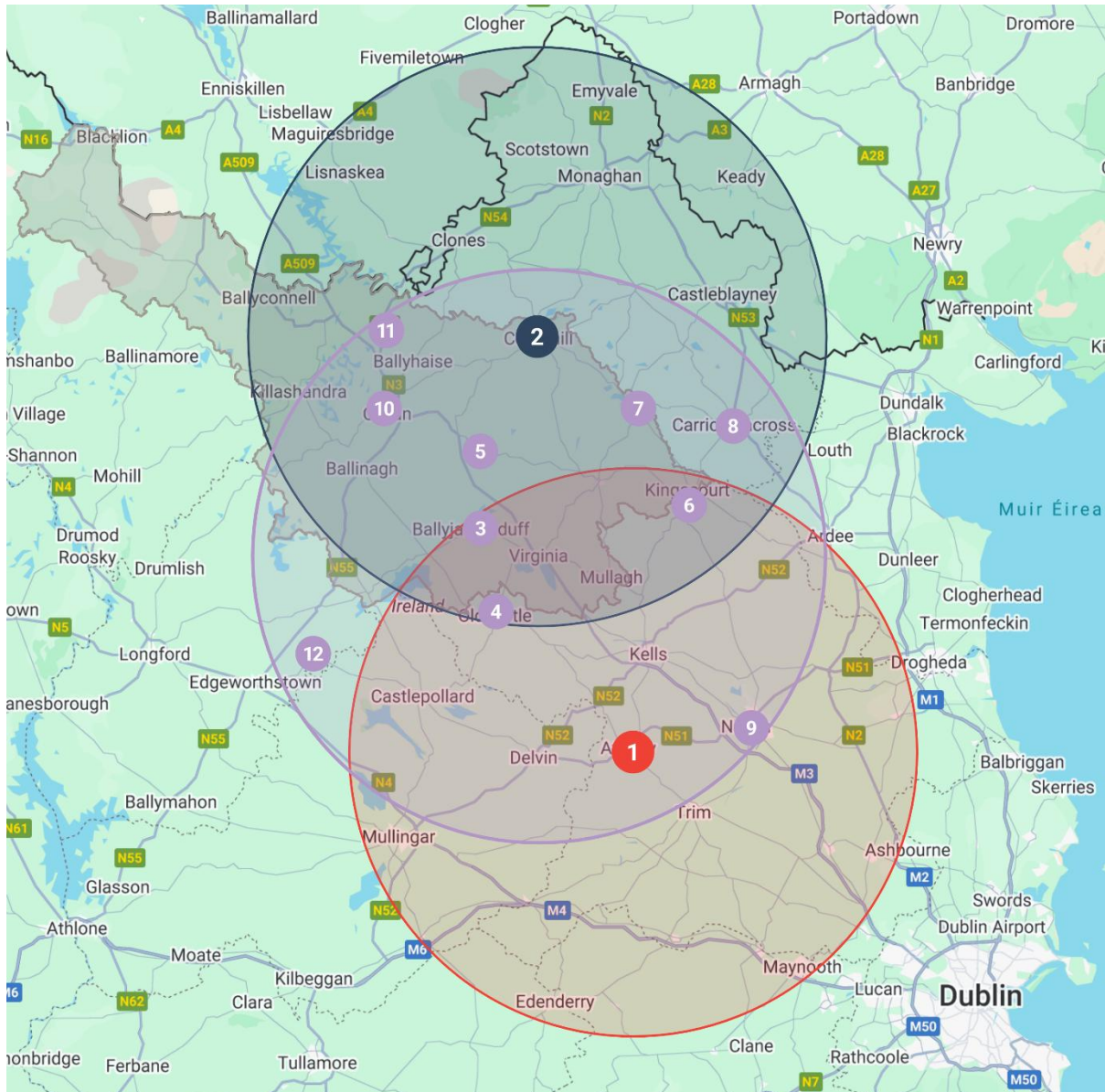
⁵⁴ McCaughey Fuels Limited, CRO number 750897 ("McCaughey Fuels").

⁵⁵ Gibneys Of Oldcastle Limited, CRO number 25990 ("Gibney Oil").

⁵⁶ Cheapest Oil (2025) *Heating oil prices Cavan*. Available at: <https://www.cheapestoil.ie/heating-oil-prices/Cavan>. (Accessed: 25 March 2025).

in Athboy, County Meath; the blue circle (2) depicts the 35km radius catchment area around McMullen Oils’ depot in Cootehill, County Cavan; and the purple circle depicts the 35km radius catchment area around Virginia, County Cavan. Figure 3 also displays the locations of competing fuel distributors within the Virginia catchment area, numbered 3 – 11.⁵⁷

Figure 3: Fuel distribution within a 35km radius of Virginia County Cavan.



Source: the Commission

60. As shown above, the sensitivity analysis supports the use of County Cavan as an appropriate local frame of reference for the Commission’s review. By focusing on Virginia, a town located

⁵⁷ The competing fuel distributors include the following: Skelly Oil (3); Curran Oil (4); Stradone Oil Company (5); McCormack Oil (6); Roe Oils Ltd (7); O’Rourke’s Fuels Limited (8); Local Fuels (9); Certa Cavan (10); Top Oil Cavan (11); Keegan Fuel Lisryan (12).

within the overlap between the 35km catchment areas around the Parties' respective depots, the analysis indicates that the competitive dynamics observed at county level are broadly consistent with conditions in the area most affected by the Transaction. The Virginia-based assessment identified a similar set of active competitors to those captured in the wider Cavan analysis, suggesting that county-level data provides a reasonable proxy for market structure and consumer choice within the overlap zone.

Conclusion in relation to the distribution of all refined fuel products to end users

61. In light of the above, the Commission considers that, in relation to the potential market for the distribution of all refined fuel products, the Transaction does not raise any horizontal competition concerns regardless of whether the geographic market is defined on a national basis or by reference to County Cavan.

The distribution of refined fuel products by fuel type to end users

The State

62. The CSO provides national fuel sales data based on returns made by fuel traders to the Revenue Commissioners.
63. Table 6 below provides market share estimates for the Parties' distribution of refined fuel products by fuel type to end users in the State in 2022.

Table 6: The distribution of refined fuel products by fuel type to end users in the State in 2022.

Fuel type	Klass Oil Group ('000 litres)	McMullen Oils ('000 litres)	Market size ('000 litres)	Estimated combined share (%)
Kerosene	██████	██████	922,352	[0–5]
Gas Oil	██████	██████	1,146,969	[0–5]
DERV	██████	██████	3,587,767	[0–5]

Source: The Parties; CSO data.

64. Table 7 below provides the market share estimates for the merged entity's distribution of refined fuel products by fuel type to end users in the State in 2024.

Table 7: The distribution of refined fuel products by fuel type to end users in the State in 2024.

Fuel type	The merged entity ('000 litres)	Others ('000 litres)	Market size ('000 litres)	Estimated share of the merged entity (%)
Kerosene	██████	██████	954,000	[0–5]
Gas Oil	██████	██████	1,133,000	[0–5]
DERV	██████	██████	3,539,000	[0–5]

Source: The Parties; CSO data.

65. In relation to the Parties' competitors within each product type, the Commission has confirmed that the following distributors (each with a wide geographic footprint in the State) provide a similar range of products as the Parties (namely kerosene, gas oil, DERV, as well as unleaded petrol and HVO): Certa; Top Oil; Corrib Oil; and East Cork Oil.⁵⁸ The merged entity continues to face competition from these distributors post-Transaction.

66. As shown above in Table 6, the Parties' estimated combined shares in the distribution of each refined fuel product type in the State are small, ranging from approximately [0–5]% to [0–5]% in 2022, with the maximum estimated increment arising from the Transaction being in the distribution of kerosene at just [0–5]%. In 2024, the merged entity's estimated shares ranged from [0–5]% to [0–5]%.

County Cavan

67. As described above, the Commission has assessed the Transaction with reference to an area of overlap within County Cavan.

68. Table 8 below provides market share estimates for the Parties' distribution of refined fuel products by fuel type to end users in County Cavan in 2022.

Table 8: The distribution of refined fuel products by fuel type to end users in County Cavan in 2022.

Fuel type	Klass Oil Group ('000 litres)	McMullen Oils sales ('000 litres)	Market size ('000 litres)	Estimated combined share (%)

⁵⁸ Further information is available at the providers' websites: East Cork Oil (2025) *About Us*. Available at: <https://yourlocaloilcompany.ie/about/>; Certas Energy (2025) *About Us*. Available at: <https://certaireland.ie/about-us/>; Top Oil (2025) *About TOP Oil*. Available at: <https://www.top.ie/about-us/about-top-oil>; and, Corrib Oil (2025) *About Us*. Available at: <https://corriboil.com/about-us>.

Kerosene	█	█	23,483	[10–15]
Gas Oil	█	█	27,037	[5–10]
DERV	█	█	78,591	[0–5]

Source: The Parties; CSO figures.

69. Table 9 below provides market share estimates for the merged entity's distribution of refined fuel products by fuel type to end users in County Cavan in 2024.

Table 9: The distribution of refined fuel products by type to end users in County Cavan in 2024.

Fuel type	The merged entity ('000 litres)	Others ('000 litres)	Market size ('000 litres)	Estimated share of the merged entity (%)
Kerosene	█	█	22,106	[15–20]
Gas Oil	█	█	22,005	[15–20]
DERV	█	█	85,400	[0–5]

Source: The Parties; CSO figures.

70. The Parties' combined shares of the distribution of each refined fuel product segment in County Cavan in 2022 ranged from [0–5]% to [10–15]%, with the maximum increment arising from the Transaction being in the distribution of kerosene at [10–15]%, albeit from a starting point of [0–5]%.⁵⁹ In 2024, the merged entity's shares were similarly modest, ranging from [0–5]% to [15–20]%.

71. In light of the above, the Commission considers that, in relation to each of the potential product markets for the distribution of refined fuel to end users segmented by fuel type (namely kerosene, gas oil, and DERV), the Transaction is unlikely to raise any horizontal competition concerns regardless of whether the geographic market is defined on a national basis or by reference to County Cavan.

Non-Horizontal Effects

⁵⁹ The maximum estimated increment in this context is highest percentage increase Klass Oil Group is gaining from the Transaction through its acquisition of McMullen Oils, in this case being in kerosene ([10–15]%) as opposed to Gas oil ([5–10]%) or DERV ([0–5]%).

Vertical relationship

72. As noted above, there was, at the time of the Transaction, a vertical relationship between the Parties in respect of Klass Oil Group's wholesale supply of refined fuel products to McMullen Oils.

The supply of refined fuel products by Klass Oil Group to McMullen Oils

73. There was a vertical relationship between the Parties arising from Klass Oil Group's supply of refined fuel products to McMullen Oils on an "ad hoc basis".⁶⁰ In the twelve months leading up to the Transaction, McMullen Oils purchased approximately 45% of its refined fuel products from Klass Oil Group. The Parties submit that "this was influenced by the decision of large suppliers such as Valero not to supply small customers after the outbreak of war in Ukraine."⁶¹

74. In respect of the supply of refined fuel products to the wholesale market (i.e. resellers), in 2022, Klass Oil Group sold approximately [REDACTED] litres nationally, accounting for just [REDACTED]% of its total refined fuel sales.⁶²

Input foreclosure

75. The Commission considers that, following the implementation of the Transaction, Klass Oil Group does not have the ability or incentive to engage in input foreclosure. Klass Oil Group's share of the upstream wholesale supply of refined fuel products was, before the Transaction, relatively modest at an estimated [0–5]% in the State. In County Cavan, Klass Oil Group's share of the upstream wholesale supply of refined fuel products was similarly modest at approximately [0–5].

76. Furthermore, the Parties submit that there remain more than 10 players active in the wholesale supply of refined fuel products in the State (including Circle K, Valero, and Top Oil), as well as a significant number in the local area of overlap. Accordingly, the Commission considers that the Transaction does not give rise to input foreclosure concerns.

Customer foreclosure

⁶⁰ Merger Notification Form, page 12, paragraph 4.2.

⁶¹ Merger Notification Form, page 12, paragraph 4.2.

⁶² Correspondence with Klass Oil Group's legal representatives, dated 2 April 2025.

77. As set out above in the horizontal competitive assessment, the merged entity does not hold a significant share in any of the relevant potential markets for the sale of refined fuel products to end users in the State. In each case, its estimated share is well below the 25% threshold typically associated with potential foreclosure concerns. This indicates that the merged entity lacks the ability to restrict access to customers in a manner that would materially affect competition in the upstream market for the wholesale supply of refined fuel products. Accordingly, the Commission considers that the Transaction does not give rise to customer foreclosure concerns.
78. In light of the foregoing, and taking into account the presence of multiple alternative suppliers active at both national and local levels, the Commission is of the view that the Transaction does not give rise to any vertical competition concerns.

Conclusion of Competitive Analysis

79. In light of the above, the Commission considers that the Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

80. Clause 11.1.2 of the SPA contains non-compete obligations on the Vendors. The duration and the scope of the non-compete obligations do not exceed the maximum duration and scope acceptable to the Commission. Therefore, the Commission considers these restrictions to be directly related to and necessary for the implementation of the Transaction, insofar as they relate to the State.⁶³

⁶³ In this respect, the Commission follows the approach adopted by the European Commission in paragraph 20 of the Commission Notice on restrictions directly related and necessary to concentrations [2005] OJ C 56/24.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the acquisition whereby Klass Securities Limited, through Klass Energy Limited, acquired the entire issued share capital, and thus sole control, of McMullen Oils Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission.

Úna Butler

Member

Competition and Consumer Protection Commission