

Wilson Fuel Co. to add 20 Esso stations to its retail chain

Imperial Oil selling off 497 retail stations across Canada for \$2.8B

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Wilson Fuel is buying 20 retail gas stations in Nova Scotia and Newfoundland from Imperial Oil.

Wilson Fuel Company Limited is buying 20 Esso stations in Nova Scotia and Newfoundland as Imperial Oil moves to sell its retail sites across Canada.

The company already operates 50 stations under the Esso banner and the latest additions — 11 in Halifax and nine in St. John's — will also remain under the Esso name, said James Wilson, chief financial officer of Wilson Fuel.

Imperial Oil has announced it is selling off 497 retail stations across Canada to five fuel distributors for \$2.8 billion.

"We are the [Esso] retail branded distributor in Atlantic Canada already," Wilson said Wednesday.

The sites will continue to operate under the Esso brand, with Esso products, and continue with all the Esso promotional and loyalty programs, he said.

"It re-establishes this partnership that we've had for decades with Imperial. We've been buying product from Imperial for 50 years."

Opportunity for growth

Wilson's Gas Stops operates service stations in Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island and distributes gasoline to 200 dealers across Atlantic Canada. The company is run by a handful of cousins, including Steve Wilson, Dave Wilson and Ian Wilson.

Other Esso buyers include:

- Alimentation Couche-Tard is set to buy 279 stations in Ontario and Quebec for nearly \$1.69 billion.
- Parkland Fuel Corporation says it will buy 17 Esso stations in Saskatchewan and Manitoba, along with Imperial's On the Run/Marche Express convenience store franchise system.
- 7-Eleven Canada Inc. is buying sites in Alberta and British Columbia and Harnois Groupe petrolier is also buying a number of sites in Quebec.

James Wilson would not say what his company paid for the stations. The acquisitions are not part of a large expansion plan but Wilson Fuel is keeping an eye on opportunities for growth, he said.

"We're an eighth-generation family business, we're always growing and looking to grow. In 1989, we weren't in the gasoline business and now we have 80 corporate sites and 150 dealers, so we always look at strategic opportunities to grow," he said.

"There's nothing right in front of us other than this right now but we're always looking for the next thing."

Competitive market place

That could include expanding outside the Atlantic region, he said.

"If the right opportunity was there, we'd definitely take it. There's nothing right now but we'd definitely look at it."

Irving continues to be the biggest competitor in the retail gas sector for Wilson Fuel, which also has a home-heating fuel business, a security business and an HVAC-equipment manufacturing operation.

"It is a competitive marketplace. We've been in the business for decades," Wilson said. "We feel very comfortable where we are. We have strong brands and good products to sell, great employees, things are good."

Roughly two-thirds of the 1,700 Esso stations across Canada have been operated by wholesalers for about 15 years, with the remainder of the Esso stations now set to follow the same model.

Imperial, which is majority owned by U.S. energy giant ExxonMobil Corp., said the sales are expected to close by the end of 2016.

Source: CBC News <http://www.cbc.ca/news/canada/nova-scotia/wilson-fuel-esso-retail-1.3482931>