

Associated Octel Company Ltd

Development of Corporate Structure and Ownership

1924

ETHYL GASOLINE CORPORATION manufactured the first Lead anti-knock compound (AKC) 50% owned by General Motors and 50% by Standard Oil New Jersey (Esso) (Renamed **ETHYL CORPORATION** in 1942.)

1926

Esso had an exclusive contract to use AKC in UK.

1928

T R A Bevan was transferred from Esso (UK) to Ethyl Gasoline as foreign representative. He subsequently became Managing Director of Associated Octel Co 1938 - 68

1929.

Ethyl Gasoline opened an office in London

1931

Ethyl Gasoline separated their domestic and foreign business by establishing **ETHYL EXPORT CORPORATION** in London

1935

Discussion began between Ethyl Export and Air Ministry regarding availability of AKC for aviation gasoline.

1936

BRITISH ETHYL CORPORATION incorporated in London 50%owned by ICI and 50% by Ethyl Export

1936 – 1938

Ethyl Gasoline wished to involve Oil Companies in the future development of its AKC business. Negotiations, relating to the formation of **ASSOCIATED ETHYL COMPANY LTD**, began in **1936**. A plan was devised by 1937 whereby shares would be allocated on the basis of gasoline sales in the world outside North America.

The proposed shareholdings were:-

SHELL 25%; ESSO (Standard NJ) 24.5%; General Motors 24.5%; BP 12% MOBIL 7% TEXACO 5% CHEVRON 2%

The Anglo American nature of the proposed partnership and the international nature of the business raised many legal questions, particularly in relation to tax laws and US anti – trust legislation. Satisfactory protection rights had to be accorded to individual shareholdings. The drafting of acceptable documents was an involved and arduous process. Agreement was finally reached during the summer of 1938 and Associated Ethyl Company was incorporated in London in September. Documents were not signed until May 1939

1939

Ethyl Export was liquidated on May 1 with all obligations being transferred to Associated Ethyl.

Associated became a 50% partner in Ethyl G.m.b.H. Shareholdings in French companies, Ethyl S.A.; S.T.A.C. and Ethyl Kuhlman were transferred directly to Associated's shareholders.

Ethyl Gasoline granted Associated patent rights and licences to manufacture AKC until 31-12-47 and exclusive rights to sell AKC outside North America for 15 years from 1 May 1939.

US anti trust legislation remained an issue but Associated Ethyl had been firmly established as manufacturer and distributor of AKC during a time of intense political and technical activity. The achievement owed much to the leadership of T R A Bevan.

1939 -45

Associated Ethyl acted as agents of Ministry of Fuel and Power in respect of AKC supplies received under lease-lend arrangements.

1942

In Jan US Dept of Justice questioned the 1939 agreement establishing Associated because the US Government interpretation of anti-trust laws regarding exclusive rights had changed. The matter was not resolved until 1945.

1943

In March, General Motors decided that it was inappropriate to sit with the oil companies as a shareholder of Associated and wished to dispose of their interest in the company. Shares, as per agreements, were offered to the other shareholders.

Also in March, Associated bought out ICI's interest in British Ethyl, thus making it a wholly owned subsidiary.

1948

Esso decided that it was undesirable to continue with an interest in both Associated Ethyl and Ethyl Corporation

This led to the reconstruction and recapitalization of Associated Ethyl. It had already been agreed in principle that manufacturing facilities in UK should be expanded.

1949

Standard Oil California (Chevron) and Texas Corp (Texaco) agreed that their shareholdings should be held by Caltex, in which each had a 50% interest.

The basis for shareholdings in Associated was changed from gasoline sales to potential usage of AKC
Shareholdings became:-

SHELL 37.5%; BP 36.7%; CALTEX 21.3% and MOBIL 5.3%

Ethyl S.A. became 100% owned by Associated and Ethyl Kuhlman 50%

1950

Agreement was reached on a new structure.

A programme of expansion at Ellesmere Port, Cheshire and Amlwch., Anglesey was agreed.

1954

When the expansion was complete the AKC product was rebranded .The name "Octel " was established and registered. {Previously AKC had been sold under the brand name "Ethyl".

1961

The Company name was changed to **ASSOCIATED OCTEL CO LTD** to avoid confusion in the market place with Ethyl Corporation.

1966

The UK Finance Act 1965 changed the basis of taxation of company profits by the introduction of Corporation Tax. In order to take full advantage of these changes Associated Octel was restructured. Associated changed from a manufacturing and distribution enterprise to a management company for a partnership.

The following is a full summary of the changes:-

- A partnership (**OCTEL ASSOCIATES**) was formed between the nominated British companies of the international oil groups
- **ASSOCIATED OCTEL(PLANT) COMPANY** was formed, as a 100% subsidiary of Associated Octel
- All fixed assets were sold to the Plant Company.
- Goodwill was transferred to Octel Associates.
- Associated Octel became managing agents

Appropriate changes were made to Memorandum of Agreement and Articles of Association.

1967

Caltex split into Texaco and Chevron.

Shareholdings in Octel Associates became:-

SHELL 37.5%; BP 37.5%; CHEVRON 10%; TEXACO 10% and MOBIL 5%.

1989

BP, Texaco and Mobil sold their interests in Octel Associates, save 0.5%. to **GREAT LAKES(EUROPE)** who then held a controlling 51% interest in Associated Octel Co Ltd

Shareholdings became:-

SHELL 37.5%; CHEVRON 10%; BP 0.5%; TEXACO 0.5%; MOBIL 0.5% and GREAT LAKES 51%.

1998

All anti-knock manufacturing facilities and the business were “spun off” from Associated as **OCTEL CORPORATION**. The new company was registered in Delaware USA and quoted on the New York Stock Exchange. Great Lakes (Europe) retained the bromine related and general chemical business of Associated.

Shareholdings were held by US Institutions and Mutual Funds

2006

Octel Corp rebranded and changed its name to **INNOSPEC INC**. The Company was registered in Colorado USA and quoted on NASDAQ Stock Exchange. It had diversified into speciality chemicals through acquisition. The bulk chemical, commodity type, business of AKC had declined due to legislation against its use world wide.

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Web site: www.innospecinc.com Corporate details: YAHOO FINANCE Code: IOSP