

Shell to sell local gas stations to new Indonesia-Philippine venture

Shell is selling its gas station business and related supply and distribution operations, but not its lubricant business, to an Indonesian-Philippine joint venture, with the transfer process to be completed by the end of next year.

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PT Shell Indonesia, a wholly owned subsidiary of Anglo-Dutch energy giant Shell plc, has agreed to sell ownership of its gas station business to a new joint venture between the Philippines' Citadel Pacific Limited and local lubricant distributor Sefas Group, with the transfer process expected to be completed by the end of 2026.

The deal also includes associated supply and distributions operations grouped in Shell Indonesia's mobility value chain business.

Shell has around 200 gas stations in Indonesia, of which more than 160 are company-owned, as well as a fuel terminal in Gresik, East Java.

“Following completion [of the ownership transfer], the Shell brand will remain in Indonesia through brand licensing agreements, fuel will be supplied through Shell Trading and customers will continue to have

access to Shell's high-quality fuel products," it said in a statement on Friday.

The company also emphasized that the gas station deal did not include its lubricant business in Indonesia, a key growth market.

Shell currently owns and operates a lube oil blending plant (LOBP) with a maximum capacity of 300 million liters. It is also developing a grease manufacturing plant with an annual capacity of 12,000 tonnes in Marunda, North Jakarta, as part of its commitment and strategy to transform its portfolio, according to the company.

Based in Taguig, east of Manila, Citadel Pacific is a private holding company with diversified businesses including aviation services, telecommunications, gas distribution and fuel marketing, with operations across the Asia-Pacific. It has Shell brand licensees in Guam, Hong Kong, Macau and the Republic of Palau, as well as on Saipan, the Northern Mariana Islands.

Sefas Group is the largest Shell lubricant distributor in Indonesia. The company started operating in Balikpapan and expanded to other strategic areas in East Kalimantan for mining and other related industries.

Read also: [Fuel shortages hit Shell, BP stations because of shipping delays: Ministry](#)

On May 2, Shell Global posted a 28 percent drop in its first-quarter net profit to US\$5.58 billion amid falling oil prices and lower refining margins.

In February, Shell gas stations across Java, along with pumps operated by BP Indonesia, reportedly struggled with fuel supply, which the government blamed on delayed shipments.

Read also: [Surge in demand drains Shell stations ahead of Idul Fitri](#)

The following month, Shell and BP both faced a surge in demand after several executives at subsidiaries of Pertamina were named as suspects in a corruption case handled by the Attorney General's Office (AGO). They were alleged of taking part in an embezzlement scheme that involved passing off lower-quality imported fuel as a more expensive, high-octane product, tarnishing the state-owned energy giant's image and leading to consumer distrust in the Pertamina brand.

The sudden increase in demand led to unexpected logistical challenges in maintaining a consistent supply of fuel, leaving pumps dry in several cities as people prepared to travel on *mudik* (exodus) for Idul Fitri.

In response, the government assured the public that private gas stations nationwide were not experiencing a fuel shortage, implying that the supply disruption at Shell gas stations was an isolated incident.