

PACIFIC OIL TZ CO. LIMITED

FIVE YEARS

BUSINESS PLAN



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PACIFIC OIL TZ CO. LIMITED

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1. INDUSTRY OVERVIEW

1.1 Global Overview

The global oil and gas logistics market, including transportation, was valued at approximately USD 300 billion in 2023 and is expected to grow at a CAGR of 5-6% until 2030. Growth is driven by rising energy demand, urbanization, and increased investments in infrastructure and technology for fuel transportation.

Companies like DHL Supply Chain, CEVA Logistics, and Geodis dominate the logistics space with specialized petroleum transport services.

1.2 Africa Overview

Africa consumes around 4 million barrels of oil per day, with demand steadily increasing due to economic growth and industrialization. Key markets include Nigeria, Angola, Egypt, and South Africa, which have significant oil production and distribution networks.

Transportation logistics in Africa is projected to grow at a CAGR of 4.5% due to expanding regional trade and infrastructure development under initiatives like the African Continental Free Trade Agreement (AFCFTA).

1.3 Tanzania Overview

The petroleum transport and distribution sector in Tanzania plays a crucial role in the country's economic development, ensuring the movement of fuel to meet industrial, commercial, and domestic needs. Below is a detailed analysis of the industry, its current state, and growth opportunities;

1.3.1 Current Status

Tanzania consumes approximately 90,000 barrels of oil per day, with growing demand fueled by industrial activities, population growth, and urbanization.

The country is a regional hub for petroleum logistics, servicing neighboring landlocked countries such as Uganda, Rwanda, Burundi, and Zambia. Infrastructure like the Tanzania-Zambia (TAZAMA) pipeline and the Port of Dar es Salaam positions the country as a critical player in fuel transportation. The Energy and Water Utilities Regulatory Authority (EWURA) ensures compliance with safety and pricing policies.

Various Investment Opportunities are available in the industry including Construction of storage facilities and filling stations, Expansion of transport networks to meet growing domestic and regional demand.

1.3.2 Challenges

- 1.3.2.1 *Dependence on imported petroleum* products makes the supply chain vulnerable to global price fluctuations.
- 1.3.2.2 *Infrastructure Gaps*: Limited pipeline networks and underdeveloped road systems in rural areas.
- 1.3.2.3 *Regulatory Hurdles*: Compliance with stringent environmental and safety regulations increases operational costs.

2 EXECUTIVE SUMMARY

1.1. Company Overview:

Pacific Oil TZ Co. Ltd. A sister company of Pacific Oil Rwanda Ltd was founded in 2021 by Logo Gerard and Dhena Nyamutela, both highly experienced professionals in the transportation industry. Their extensive expertise in logistics, fleet management, and petroleum transportation has been instrumental in positioning the company as a reliable and trusted partner for fuel distribution in Tanzania. The company currently operates a fleet of 20 specialized vehicles equipped to transport petroleum products. Pacific Oil TZ Co. Ltd. generates an annual turnover of TZS. 1.8 billion through contracts with major petroleum distributors and retailers in Rwanda and Burundi.

2.2 Mission Statement

To provide safe, efficient, and reliable petroleum transportation services, contributing to Tanzania's energy logistics and economic growth.

1.2 Vision Statement.

To become a leading player in the East African petroleum logistics sector, delivering excellence and innovation in fuel transportation.

1.3 Competitive advantages:

- Experienced leadership with in-depth industry knowledge.
- Established reputation for reliability and safety in fuel transportation.
- Commitment to fleet expansion and service quality improvement.

Pacific Oil TZ. Co. Ltd. combines expertise, innovation, and strategic planning to meet the evolving needs of the petroleum logistics sector, ensuring sustained growth and customer satisfaction.

3 PRODUCT AND SERVICES.

Pacific Oil TZ Co Ltd specializes in the transportation of petrol and diesel, ensuring timely and safe delivery to customers. Established to cater to Tanzania's growing energy sector, the company has built a strong reputation for reliability and compliance with industry standards.

Key services include:

- Bulk transportation of petroleum products.
- Custom logistics solutions tailored for oil companies and distributors.
- Emergency response logistics for critical petroleum supply needs.



4 OUR BUSINESS STRUCTURE

The business operation is managed by Managing Director Mr Logo Gerard and the other key operation Managers who manage three Departments;

- Operation Dept.
- Administration Dept.
- Sales and Marketing.

The role of management team is to oversee overall strategy and operations. Including;

- ✓ Manages financial planning, investments, and budget.
- ✓ Supervises the operation of the business.
- ✓ Leads marketing and sales efforts.
- ✓ Implementation of strategic projects.

5 MARKET ANALYSIS.

5.1 Industry Overview:

Tanzania's energy sector is experiencing significant growth, with increasing demand for petroleum products driven by economic expansion, population growth, and infrastructural development. For example, the government's push for industrialization has resulted in an annual increase in fuel consumption, creating opportunities for reliable logistics providers.

Target Market:

- Oil companies needing bulk transportation solutions.
- Fuel distributors expanding their market reach.
- Government agencies and large-scale industrial consumers requiring consistent fuel supply.

5.2 Competitor Analysis:

The market features several established players with varying levels of service quality. Pacific Oil Co Ltd distinguishes itself through:

- Superior safety protocols in handling hazardous materials.
- A growing fleet equipped with advanced tracking and monitoring technologies.
- Plans for infrastructure expansion to support long-term growth.

Market Opportunity:

- The rising demand for petroleum products, projected to grow by 5% annually.
- Insufficient filling stations in Dar es Salaam, creating an untapped market for retail and wholesale fuel distribution.

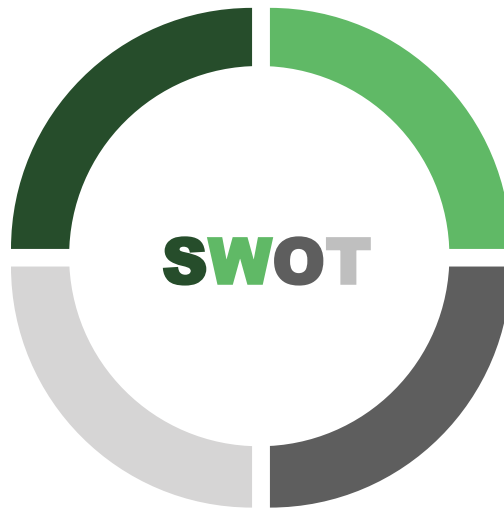
6 SWOT ANALYSIS.

STRENGTHS

- Established reputation for reliability and safety in petroleum transport.
- Advanced fleet equipped with cutting-edge monitoring technologies.
- Clear expansion strategy and experienced management team

OPPORTUNITIES

- Growing demand for petroleum products fueled by industrialization and urbanization.
- Favorable investment atmosphere.
- Potential for diversification through filling station operations and ancillary services



WEAKNESSES

- Shortage of financing.
- Market volatility.
- Limited Track Record

THREATS

- Economic down turn.
- Regulatory changes.
- Competition from other developers
- Currency Fluctuations

7 RISK ANALYSIS.

There is no free business zone where no risk is associated with it. The business risks depend on number of factors including the industry and operational environments. The analysed risks include;

Market Risks:

- Fluctuations in petroleum demand due to global market trends and economic cycles.
- Competitive pressures from established and emerging players.

Operational Risks:

- Maintenance challenges and potential downtime for an expanding fleet.
- Rising fuel costs impacting operational margins.

Mitigation Strategies:

- Diversify revenue streams through filling station sales and ancillary services.
- Strengthen operational efficiencies with advanced technologies and regular staff training.
- Monitor market trends closely to adapt to changing conditions.

8 BUSINESS STRATEGY

Pacific Oil TZ Co. Ltd. aims to leverage its existing strengths and strategic growth opportunities to expand its market presence in petroleum transportation and diversify into fuel retailing. The business strategy focuses on five pillars: fleet expansion, operational excellence, market penetration, vertical integration, and sustainability.

8.1 Fleet Expansion and Optimization

Objective: Increase capacity to meet growing market demand

Action Plan:

- Add 10 vehicles annually for the next five years, bringing the total fleet size to 70 vehicles by 2028.
- Invest in modern, fuel-efficient trucks equipped with GPS tracking and safety features to ensure compliance with transportation regulations and reduce operational risks.
- Establish partnerships with reputable vehicle suppliers for competitive pricing and favourable payment terms.

Outcome: Expanded capacity to service larger contracts and reduce lead times.

8.2 Operational Excellence

Objective: Enhance service quality and operational efficiency

Action Plan:

- Implement a fleet management system to monitor vehicle performance, fuel consumption, and route optimization.
- Conduct regular driver training programs on fuel handling, safety protocols, and customer service.
- Establish an in-house maintenance team to minimize vehicle downtime and extend fleet lifespan.

Outcome: Increased efficiency, cost savings, and improved customer satisfaction.

8.3 Market Penetration and Regional Expansion

Objective: Strengthen market share and expand into regional markets

Action Plan:

- Secure long-term contracts with major oil marketing companies (OMCs) and independent fuel retailers.
- Target underserved regions within Tanzania and expand services to other landlocked neighbouring countries such as Malawi, Uganda, Burundi, and Zambia.
- Engage in marketing campaigns to highlight Pacific Oil TZ Co. Ltd.'s reliability, safety standards, and competitive pricing.

Outcome: Increased revenue streams and a stronger market presence in East Africa.

8.4 Vertical Integration through Fuel Retailing

Objective: Diversify revenue streams and create a stable income base

Action Plan:

- Construct three filling stations in high-traffic areas of Dar es Salaam by 2028.
- Include complementary services at filling stations, such as convenience stores and vehicle maintenance services.
- Explore partnerships with fuel suppliers for bulk procurement discounts and brand alignment.

Outcome: Additional revenue channels and improved brand visibility in the fuel retail sector.

8.5 Sustainability and Compliance

Objective: Ensure long-term viability and regulatory adherence

Action Plan:

- Transition to cleaner fuels by incorporating biofuel and LNG transport capabilities into the fleet.
- Regularly update operations to comply with environmental and safety regulations set by EWURA and the Tanzanian government.
- Implement waste management and spill response protocols to mitigate environmental risks.

Outcome: Enhanced reputation as a sustainable and compliant business, attracting environmentally conscious clients.

9 OPERATIONAL PLAN

Pacific Oil TZ Co. Ltd.'s operational plan outlines the strategies and processes required to efficiently manage petroleum transportation and the establishment of fuel retailing stations over the next five years.

9.1 CORE OPERATIONS

9.1.1 Fleet Management

- Current Fleet: 20 vehicles.
- Fleet Expansion: Acquire 34 trucks for the next five years, totaling 54 vehicles by end of Year 5.

9.1.2 Fleet Maintenance:

- Establish an in-house maintenance team to conduct routine checks and ensure optimal vehicle performance.
- Maintain an inventory of critical spare parts to minimize downtime.
- Schedule monthly preventive maintenance for all trucks.

9.1.3 Logistics and Routing

- Route Optimization: Use a logistics management system to optimize delivery routes, reducing fuel costs and improving efficiency.
- Real-Time Tracking: Equip all vehicles with GPS tracking for real-time shipment monitoring and communication with clients.
- Turnaround Times: Set a target of reducing delivery delays to less than 5% of total trips.

9.2 WORKFORCE PLANNING

9.2.1 Staffing Levels

- ✓ Drivers: Recruit and train 34 additional drivers to align with fleet expansion.
- ✓ Support Staff: Hire vehicle maintenance technicians, safety officers, and logistics coordinators.

9.2.2 Filling Station Staff:

- ✓ Employ station managers, fuel attendants, and convenience store clerks for each filling station. With total of twelve additional staff by Year 5.

9.2.3 Training and Development

Conduct driver training programs on:

- ❖ Fuel handling safety.
- ❖ Defensive driving techniques.
- ❖ Emergency response protocols.
- ❖ Provide continuous professional development for staff, including regulatory updates and customer service training.

9.3 Operational Timeline (Five Years)

| Year | Key Activities |
|--------|---|
| Year 1 | Fleet expansion (6 vehicles), establish maintenance team. |
| Year 2 | Fleet expansion (5 vehicles), start first filling station construction. |
| Year 3 | Fleet expansion (5 vehicles), complete first filling station, optimize logistics. |
| Year 4 | Fleet expansion (5 vehicles), construct second filling station. |
| Year 5 | Fleet expansion (13 vehicles), complete second and third filling stations. |

10 SALES AND MARKETING STRATEGY

Pacific Oil TZ Co. Ltd.'s sales and marketing strategy is designed to build a strong client base, increase market share, and establish the company as a trusted provider in petroleum logistics and fuel retailing. The focus is on targeted marketing, customer engagement, and leveraging technology to achieve sustainable growth.

10.1 SALES STRATEGY

10.1.1. Customer Acquisition

- **Target Oil Marketing Companies (OMCs):** Develop customized transportation packages for large fuel distributors.
- **Independent Fuel Retailers:** Offer reliable logistics services with flexible contract terms to meet the needs of smaller operators.
- **Industrial Clients:** Pursue bulk transportation contracts with mining companies, factories, and other high-volume fuel consumers.

10.1.2 Sales Channels

- **Direct Sales Team:** Employ a dedicated team to conduct direct outreach, presentations, and negotiations with potential clients.
- **Strategic Partnerships:** Collaborate with regional petroleum suppliers to act as their preferred transportation partner.
- **Government Contracts:** Actively participate in tenders for transportation contracts with public institutions.

10.1.3 Customer Retention

- Establish long-term contracts with key clients, offering volume-based discounts and loyalty incentives.
- Assign Key Account Managers (KAMs) to ensure personalized service and address client needs proactively.
- Offer value-added services, such as real-time tracking and reporting on shipments.

10.2 MARKETING STRATEGY

10.2.1 Branding and Positioning

- ✚ **Brand Positioning:** Position Pacific Co. Ltd. as a dependable and safety-focused transportation provider in the petroleum sector.
- ✚ **Visual Branding:**
 - Use company-branded trucks for mobile advertising.
 - Create a logo and tagline emphasizing efficiency and safety.
- ✚ **Community Engagement:** Build goodwill through Corporate Social Responsibility (CSR) initiatives like road safety education campaigns.

10.2.2 Digital Marketing

- **Website Development:**
 - i) Launch a professional website showcasing services, case studies, and testimonials.
 - ii) Integrate an inquiry form and live chat for potential clients.

- **Social Media Presence:**
 - ❖ Promote services through platforms like LinkedIn (for B2B clients) and Facebook (for local businesses).
 - ❖ Share updates, industry news, and safety tips to engage followers.
- **Email Campaigns:**
 - ❖ Send newsletters with service updates, promotions, and success stories to current and prospective clients.

10.2.3 Traditional Marketing

- ❖ *Billboards and Signage:* Advertise along highways, near ports, and in industrial zones.
- ❖ *Print Advertising:* Use industry publications and local newspapers to reach potential clients.
- ❖ *Radio Campaigns:* Target regional audiences with ads highlighting reliable transportation and retail fuel services.

10.3 PROMOTIONS AND INCENTIVES

10.3.1 Discounts and Offers

- Provide introductory discounts for new customers signing long-term contracts.
- Offer volume-based discounts to high-usage clients.

10.3.2 Loyalty Programs

- Reward repeat customers with rebates or priority scheduling for deliveries.
- Offer incentives for clients who refer new business.

10.4. MARKETING FOR FILLING STATIONS

10.4.1 Launch Strategy

- Promote the opening of filling stations with grand opening events and local advertising.
- Offer introductory fuel discounts and promotions to attract customers.

10.4.2 Ongoing Marketing

- Use loyalty cards to encourage repeat visits.
- Partner with ride-hailing and logistics companies for bulk fuel contracts.
- Advertise convenience stores and additional services like vehicle maintenance.

10.5. PERFORMANCE MONITORING

10.5.1 Key Metrics

- *Sales Metrics*: New contracts signed, revenue growth, and market share.
- *Customer Satisfaction*: Measured through surveys and repeat business rates.
- *Marketing ROI*: Revenue generated per dollar spent on marketing campaigns.

10.5.2 Regular Reviews

- Conduct quarterly reviews of sales and marketing performance.
- Adjust strategies based on results and market conditions.

10.6. MARKETING CHANNELS

We have been able to work with our branding and publicity consultants to help us map out publicity and advertising strategies that will help us walk our way into the heart of our target market. The marketing channels which are used to meet with our potential clients are;

- Website*: Create a professional, visually appealing website with virtual clients, detailed descriptions, and high-quality images.
- Social Media*: Use platforms like Instagram, Facebook, and LinkedIn to showcase the property, share updates, and engage with potential clients.
- Email Marketing*: Build an email list of interested prospects and send regular updates, offers, and newsletters.

11. SALE FORECASTING

The sales forecast accounts for the planned fleet expansion, the establishment of filling stations, and a projected annual revenue growth of **15%** due to increased capacity, market demand, and diversification into fuel retailing.

ASSUMPTIONS;

1. **Annual Growth**: Revenue from transportation services grows by **15% annually** due to fleet expansion.
2. **Filling Stations**:

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- Each station generates approximately **USD 1.2 million annually** in revenue after completion, with the first station operational in Year 3 and subsequent stations in Years 4 and 5.

3. **Currency Stability:** Forecast assumes stable USD-TZS exchange rates and minimal inflationary disruptions.

SALES FORECAST BREAKDOWN

Sales Forecast Table (Y1-Y5)

| Year | Transportation Revenue (USD) | Filling Stations Revenue (USD) | Total Revenue (USD) |
|------|-------------------------------|--------------------------------|---------------------|
| 2025 | 1,725,000 (Base + New Trucks) | - | 1,725,000 |
| 2026 | 2,006,250 (Base + New Trucks) | - | 2,006,250 |
| 2027 | 2,307,188 (Base + New Trucks) | 1,200,000 | 3,507,188 |
| 2028 | 2,652,266 (Base + New Trucks) | 2,400,000 | 5,052,266 |
| 2029 | 3,050,106 (Base + New Trucks) | 3,600,000 | 6,650,106 |

This sales forecast demonstrates Pacific Oil TZ Co. Ltd.'s potential for sustainable growth, driven by operational expansion and diversification into fuel retailing.

12. SOURCE AND USE OF FUNDS.

Pacific Oil TZ Co. Ltd. will strategically allocate funds from a mix of internal profits and external financing sources to achieve its growth objectives over the next five years. The primary focus is on fleet expansion, fuel station construction, and operational enhancements;

12.1.1 INTERNAL SOURCES

- **Company Profits:**

- The company will reinvest a significant portion of its annual profits, projected to grow by **15% annually** over the five years, into fleet expansion and operational costs.
- Estimated reinvestment: **USD 1 million annually**, increasing with turnover growth.

12.1.2 EXTERNAL SOURCES

- **Bank Loans:**
 - Secure loans to finance fleet purchases and construction of filling stations.
 - Estimated loan requirement: **USD 300,000** over three years, based on repayment capacity and asset acquisition plans.
- **Investor Funding/Equity:**
 - Intercompany loan to facilitate large-scale projects such as filling station construction.
- **Tanzania Investment Centre (TIC) Incentives:**
 - Leverage TIC incentives, such as import duty exemptions on capital goods and tax benefits, to reduce project costs.
- **Grants or Development Funding:**
 - Explore grant opportunities or concessional funding for projects contributing to Tanzania's energy infrastructure.

12.2. USES OF FUNDS

12.2.1 Fleet Expansion

- **Objective:** Add 34 trucks over five years.
- **Cost:** USD 120,000 per truck.
- **Total Investment:** **USD 4.2 million** over five years.

12.2.2 Filling Station Construction

- **Objective:** Build three state-of-the-art filling stations in Dar es Salaam by year 5.
- **Cost:** USD 400,732 per station.
- **Total Investment: USD 1,202,198**
- **Timeline:**
 - Year 2: Begin construction of the first station.
 - Year 3: Complete first station.
 - Year 4: Completion of second station.
 - Year 5: Complete third stations.

Financial allocation summary;

| Category | Estimated Cost (USD) | Timeline |
|------------------------------|-----------------------------|-----------------|
| Fleet Expansion | 4,175,434 | Year 1–Year 5 |
| Filling Station Construction | 1,202,198 | Year 2–Year 5 |
| Average Working capital | 205,506 (Annually) | Year 1–Year 5 |
| Marketing and Branding | 378,816 | Year 1–Year 5 |
| Staff Training | 5,000 (annually) | Year 1–Year 5 |

13. FINANCIAL PROJECTION.

We have attached the financial projections for three years. The projection includes;

- i) Projected Income Statement.
- ii) Projected Statement of Financial Position.
- iii) Projected Cash Flow Statement.

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| PROJECTED INCOME STATEMENT FOR THE YEAR Y1 to Y 5 | | | | | | |
|--|---------------|---------------------|------------------|------------------|------------------|------------------|
| | | Y1 | Y2 | Y3 | Y4 | Y5 |
| Revenue | Note | VALUE IN USD | | | | |
| Sales | Note 1 | 1,725,000 | 2,006,250 | 3,507,188 | 5,052,266 | 6,650,106 |
| Other income | | | | | | |
| Total Revenue | | 1,725,000 | 2,006,250 | 3,507,188 | 5,052,266 | 6,650,106 |
| Cost of sales | | | | | | |
| Purchases & Direct costs | Note 2 | 655,500 | 762,375 | 1,858,810 | 2,677,701 | 3,524,556 |
| Total Cost of Goods Sold | | 655,500 | 762,375 | 1,858,810 | 2,677,701 | 3,524,556 |
| Gross Margin | | 1,069,500 | 1,243,875 | 1,648,378 | 2,374,565 | 3,125,550 |
| Operating Expenses | | | | | | |
| Administrative expenses | Note 3 | 131,740 | 161,089 | 213,104 | 252,190 | 295,763 |
| Marketing expenses- 2% of Revenue | | 34,500 | 40,125 | 70,144 | 101,045 | 133,002 |
| Total Operating Expenses | | 166,240 | 201,214 | 283,248 | 353,235 | 428,765 |
| Income (Before Other Expenses) | | 903,260 | 1,042,661 | 1,365,131 | 2,021,330 | 2,696,785 |
| Other Expenses | | | | | | |
| Depreciation | Note 4 | 231,515 | 305,161 | 382,931 | 436,373 | 725,399 |
| Interest on loan | Note 6 | | 31,247 | 21,167 | | |
| Total Other Expenses | | 231,515 | 336,408 | 404,097 | 436,373 | 725,399 |
| Net Income Before Income Tax | | 671,745 | 706,253 | 961,033 | 1,584,957 | 1,971,386 |
| Income Tax | | 201,524 | 211,876 | 288,310 | 475,487 | 591,416 |
| Net Profit/Loss | | 470,222 | 494,377 | 672,723 | 1,109,470 | 1,379,970 |

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PROJECTED BALANCE SHEET for Y1 to Y5

| AMOUNT IN USD | Y1 | Y2 | Y3 | Y4 | Y5 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Non-Current Assets | | | | | |
| PP&E | 1,039,055 | 1,441,692 | 1,944,973 | 2,753,989 | 3,787,024 |
| Total Non-Current Assets | 1,039,055 | 1,441,692 | 1,944,973 | 2,753,989 | 3,787,024 |
| | | | | | |
| Current Assets | | | | | |
| Trade receivables and others | 86,250 | 100,313 | 175,359 | 252,613 | 332,505 |
| Cash and Bank Balances | <u>77,255</u> | <u>92,375</u> | <u>105,674</u> | <u>120,010</u> | <u>234,828</u> |
| Total Current Assets | 163,505 | 192,688 | 281,033 | 372,623 | 567,333 |
| Total Assets | 1,202,560 | 1,634,380 | 2,226,007 | 3,126,612 | 4,354,357 |
| | | | | | |
| Current Liabilities | | | | | |
| Trade Payables | 32,775 | 38,119 | 92,940 | 133,885 | 176,228 |
| Other payables | 7,975 | 9,239 | 14,225 | 19,415 | 24,848 |
| Total Current Liabilities | 40,750 | 47,358 | 107,165 | 153,300 | 201,075 |
| | | | | | |
| Non-Current Liabilities | | | | | |
| Intercompany balances | 103,393 | 125,000 | 105,000 | - | - |
| Loans and borrowings | <u>211,675</u> | <u>120,904</u> | <u>-</u> | | <u>-</u> |
| Total Non-Current Liabilities | 315,068 | 245,904 | 105,000 | - | - |
| | | | | | |
| Total Liabilities | 355,818 | 293,262 | 212,165 | 153,300 | 201,075 |
| | | | | | |
| EQUITY | | | | | |
| Owner's equity | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Retained Earnings | <u>446,742</u> | <u>941,119</u> | <u>1,613,842</u> | <u>2,723,312</u> | <u>4,103,282</u> |
| Total Equity | 846,742 | 1,341,119 | 2,013,842 | 3,123,312 | 4,503,282 |
| Divided | - | - | - | 150,000 | 350,000 |
| Total Equity and Liabilities | 1,202,560 | 1,634,380 | 2,226,007 | 3,126,612 | 4,354,357 |

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| PROJECTED CASH FLOW | | | | | |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Value in USD | Y1 | Y2 | Y3 | Y4 | Y5 |
| Operating activities | - | | | | |
| Profit before tax | 671,745 | 706,253 | 961,033 | 1,584,957 | 1,971,386 |
| Adjustments for: | - | | | | |
| Depreciation of PPE | 231,515 | 305,161 | 382,931 | 436,373 | 725,399 |
| Interest paid | - | 31,247 | 21,167 | - | - |
| Operating profit before working capital changes | 903,260 | 1,042,661 | 1,365,131 | 2,021,330 | 2,696,785 |
| Working capital changes in: | | | | | |
| (Increase)/ Decrease in Trade receivables | (61,330) | (14,063) | (75,047) | (77,254) | (79,892) |
| (Decrease)/ Increase in trade and other payables | 19,825 | 5,344 | 54,822 | 40,945 | 42,343 |
| (Decrease)/ Increase in other payables | 7,975 | 1,264 | 4,986 | 5,191 | 5,432 |
| Working capital changes | (33,530) | (7,455) | (15,239) | (31,119) | (32,117) |
| Cash flow generated from operating activities | | | | | |
| Interest paid | - | (31,247) | (21,167) | - | - |
| Income tax paid | (201,524) | (211,876) | (288,310) | (475,487) | (591,416) |
| Net cash flows generated from operating activities | (201,524) | (243,123) | (309,477) | (475,487) | (591,416) |
| Investing activities | | | | | |
| Purchase of PPE | (832,799) | (707,799) | (886,212) | (1,245,388) | (1,758,434) |
| Proceeds from disposal of PPE | - | - | - | - | - |
| Net cash from investing activities | (832,799) | (707,799) | (886,212) | (1,245,388) | (1,758,434) |
| Financing activities | | | | | |
| Proceeds from Shareholders' contribution | | | | | |
| Intercompany loan | (37,227) | 21,607 | (20,000) | (105,000) | - |
| Bank Loan paid | 211,675 | (90,771) | (120,904) | - | - |
| Net cash from financing activities | 174,448 | (69,164) | (140,904) | (105,000) | - |
| Drawings | - | - | - | (150,000) | (200,000) |
| Increase / (decrease) in cash and cash equivalents | 9,856 | 15,120 | 13,299 | 14,336 | 114,818 |
| Cash and cash equivalents at the beginning of the year | 67,400 | 77,256 | 92,376 | 105,675 | 120,011 |
| Cash and cash equivalents at the end of the year | 77,256 | 92,376 | 105,675 | 120,011 | 234,829 |

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| Breakeven Analysis Yearly basis | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Gross Margin % of Sales | Y1 | Y2 | Y3 | Y4 | Y5 |
| Gross Margin | 1,069,500 | 1,243,875 | 1,648,378 | 2,374,565 | 3,125,550 |
| Total Sales | 1,725,000 | 2,006,250 | 3,507,188 | 5,052,266 | 6,650,106 |
| Gross Margin/Total Sales | 62.0% | 62.0% | 47.0% | 47.0% | 47.0% |
| Total Fixed Expenses | | | | | |
| Administrative expenses | 131,740 | 161,089 | 213,104 | 252,190 | 295,763 |
| Other expenses | 34,500 | 40,125 | 91,310 | 101,045 | 133,002 |
| Total Fixed Expenses | 166,240 | 201,214 | 304,414 | 353,235 | 428,765 |
| Breakeven Sales in TZS (Annual) | | | | | |
| Gross Margin % of Sales | 62.0% | 62.0% | 47.0% | 47.0% | 47.0% |
| Total Fixed Expenses | 166,240 | 201,214 | 304,414 | 353,235 | 428,765 |
| Yearly Breakeven Amount | 268,129 | 324,538 | 647,690 | 751,565 | 912,265 |
| Monthly Breakeven Amount | 22,344 | 27,045 | 53,974 | 62,630 | 76,022 |

| FIXED ASSET SCHEDULE- Y1 | | | | | | |
|---------------------------------|-----------------|-----------------------|------------------|------------------------|--|------------------|
| | 37.50% | 20.00% | 12.50% | 5.00% | | |
| Particular of Assets | Computer | Motor Vehicles | FURNITURE | Filling station | | Total |
| At Cost 01/01/Y1 | 1,500 | 1,196,981 | 4,800 | 0 | | 1,203,281 |
| Additions | | 720,000 | | | | 720,000 |
| Balance as at 31/12/Y1 | 1,500 | 1,916,981 | 4,800 | - | | 1,923,281 |
| DEPRECIATION | | | | | | |
| Balance at 01/01/Y1 | 235 | 763,951 | 1,325 | - | | 765,511 |
| Charge for the year | 474 | 230,606 | 434 | - | | 231,515 |
| Balance as at 31/12/Y1 | 709 | 994,557 | 1,759 | - | | 997,025 |
| | | | | | | - |
| NBV as at 31/12/Y1 | 791 | 922,424 | 3,041 | - | | 926,256 |
| WIP | | - | - | 112,799 | | 112,799 |
| Total assets | 791 | 922,424 | 3,041 | 112,799 | | 1,039,055 |

Note 5

PACIFIC OIL TZ CO. LIMITED

| FIXED ASSET SCHEDULE- Y2 | | | | | | |
|---------------------------------|-----------------|-----------------------|------------------|------------------------|------------------|--|
| | | 38% | 20.00% | 12.50% | 5.00% | |
| Particular of Assets | Computer | Motor Vehicles | FURNITURE | Filling station | TOTAL | |
| At Cost 01/01/Y2 | 1,500 | 1,916,981 | 4,800 | 0 | 1,923,281 | |
| Additions | | 600,000 | | | 600,000 | |
| Balance as at 31/12/Y2 | 1,500 | 2,516,981 | 4,800 | - | 2,523,281 | |
| DEPRECIATION | | | | | - | |
| Balance at 01/01/Y2 | 709 | 994,557 | 1,759 | 0 | 997,025 | |
| Charge for the year | 296 | 304,485 | 380 | - | 305,161 | |
| Balance as at 31/12/Y2 | 1,006 | 1,299,042 | 2,139 | - | 1,302,187 | |
| | | | | | - | |
| NBV as at 31/12/Y2 | 494 | 1,217,940 | 2,661 | - | 1,221,094 | |
| WIP | | - | - | 220,598 | 220,598 | |
| Total assets | 494 | 1,217,940 | 2,661 | 220,598 | 1,441,692 | |

Note 12

| FIXED ASSET SCHEDULE- Y3 | | | | | | |
|---------------------------------|-----------------|-----------------------|------------------|------------------------|------------------|--|
| | | 38% | 20.00% | 12.50% | 5.00% | |
| Particular of Assets | Computer | Motor Vehicles | FURNITURE | Filling station | Total | |
| At Cost 01/01/Y3 | 1,500 | 2,516,981 | 4,800 | 0 | 2,523,281 | |
| Additions | | 600,000 | | 376,500 | 976,500 | |
| Balance as at 31/12/Y3 | 1,500 | 3,116,981 | 4,800 | 376,500 | 3,499,781 | |
| DEPRECIATION | | | | | - | |
| Balance at 01/01/Y3 | 1,006 | 1,299,042 | 2,139 | 0 | 1,302,187 | |
| Charge for the year | 185 | 363,588 | 333 | 18,825 | 382,931 | |
| Balance as at 31/12/Y3 | 1,191 | 1,662,630 | 2,472 | 18,825 | 1,685,118 | |
| | | | | | - | |
| NBV as at 31/12/Y3 | 309 | 1,454,352 | 2,328 | 357,675 | 1,814,663 | |
| WIP | | - | - | 130,310 | 130,310 | |
| Total assets | 309 | 1,454,352 | 2,328 | 487,985 | 1,944,973 | |

Note 5

PACIFIC OIL TZ CO. LIMITED

| | | FIXED ASSET SCHEDULE- Y4 | | | | |
|---------------------------------|-----------------|---------------------------------|------------------|------------------------|------------------|--|
| | | 37.50% | 20.00% | 12.50% | 5.00% | |
| Particular of Assets | Computer | Motor Vehicles | FURNITURE | Filling station | Total | |
| At Cost 01/01/Y4 | 1,500 | 3,116,981 | 4,800 | 376,500 | 3,499,781 | |
| Additions | | 600,000 | | 395,200 | 995,200 | |
| Balance as at 31/12/Y4 | 1,500 | 3,716,981 | 4,800 | 771,700 | 4,494,981 | |
| DEPRECIATION | | | | | - | |
| Balance at 01/01/Y4 | 1,191 | 1,662,630 | 2,472 | 18,825 | 1,685,118 | |
| Charge for the year | 116 | 410,870 | 291 | 25,096 | 436,373 | |
| Balance as at 31/12/Y4 | 1,307 | 2,073,500 | 2,763 | 43,921 | 2,121,491 | |
| | | | | | - | |
| NBV as at 31/12/Y4 | 193 | 1,643,481 | 2,037 | 727,779 | 2,373,491 | |
| WIP | | - | - | 380,498 | 380,498 | |
| Total assets | 193 | 1,643,481 | 2,037 | 1,108,277 | 2,753,989 | |
| FIXED ASSET SCHEDULE- Y5 | | | | | | |
| | | 37.50% | 20.00% | 12.50% | 5.00% | |
| Particular of Assets | Computer | Motor Vehicles | FURNITURE | Filling station | Total | |
| At Cost 01/01/Y5 | 1,500 | 3,716,981 | 4,800 | 771,700 | 4,494,981 | |
| Additions | 3,000 | 1,655,434 | 50,000 | 430,498 | 2,138,932 | |
| Balance as at 31/12/Y5 | 4,500 | 5,372,415 | 54,800 | 1,202,198 | 6,633,913 | |
| DEPRECIATION | | | | | - | |
| Balance at 01/01/Y5 | 1,307 | 2,073,500 | 2,763 | 43,921 | 2,121,491 | |
| Charge for the year | 1,197 | 659,783 | 6,505 | 57,914 | 725,399 | |
| Balance as at 31/12/Y5 | 2,504 | 2,733,283 | 9,268 | 101,835 | 2,846,890 | |
| | | | | | - | |
| NBV as at 31/12/Y5 | 1,996 | 2,639,132 | 45,532 | 1,100,363 | 3,787,024 | |
| WIP | | - | - | | - | |
| Total assets | 1,996 | 2,639,132 | 45,532 | 1,100,363 | 3,787,024 | |

PACIFIC OIL TZ CO. LIMITED

| NOTES OF ACCOUNTS | | | | | | |
|-------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Y1 | Y2 | Y3 | Y4 | Y5 |
| Note 2 | COST OF SALES | | | | | |
| | Direct cost | 655,500 | 762,375 | 1,858,810 | 2,677,701 | 3,524,556 |
| | Total | 655,500 | 762,375 | 1,858,810 | 2,677,701 | 3,524,556 |
| Note 1 | REVENUE ANALYSIS | | | | | |
| | Sales | 1,725,000 | 2,006,250 | 3,507,188 | 5,052,266 | 6,650,106 |
| | Other income | | | | | |
| | | 1,725,000 | 2,006,250 | 3,507,188 | 5,052,266 | 6,650,106 |
| Note 3 | Administrative expenses | | | | | |
| | Salary & Wages | 55,680 | 66,816 | 100,224 | 120,269 | 144,323 |
| | Staff training | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| | Consumables | 4,800 | 5,280 | 5,808 | 6,389 | 7,028 |
| | Electricity | 1,280 | 1,408 | 1,549 | 1,704 | 1,874 |
| | Duties and license | 22,000 | 24,200 | 26,620 | 29,282 | 32,210 |
| | Bank charges | 940 | 1,034 | 1,137 | 1,251 | 1,376 |
| | Licence and other fees | 7,440 | 8,184 | 9,002 | 9,903 | 10,893 |
| | Car tracking systems | 9,200 | 12,267 | 15,333.33 | 18,400 | 21,466.67 |
| | Insurance | 22,400 | 33,600 | 44,800 | 56,000 | 67,200 |
| | Other administrative expenses | 3,000.00 | 3,300 | 3,630 | 3,993 | 4,392 |
| | | 131,740.00 | 161,088.67 | 213,103.93 | 252,190.06 | 295,762.61 |
| Note 4 | Interest on loan | - | 31,247 | 21,167 | - | - |
| NOTE 10 | PAYABLES & ACCRUALS | | | | | |
| | Audit Fee | 2,800 | 3,220 | 3,703 | 4,258 | 4,897 |
| | Sales Levy | 5,175 | 6,019 | 10,522 | 15,157 | 19,950 |
| | TOTAL | 7,975 | 9,239 | 14,225 | 19,415 | 24,848 |