

**SONELL ENERGY
LIMITED
BUSINESS PLAN
FOR
ENERGY PROJECT**

1. COMPANY BACKGROUND:

SONELL ENERGY LIMITED is a locally registered company with operations in Dar es salaam and Mtwara Regions. It was incorporated in Tanzania in 2025 by Registrar of companies under Companies Act with Certificate of incorporation No. 191764641.

Company objectives are:

1. Wholesale, Supply and Distribution of Petroleum products.
2. Storage of petroleum products
3. Exploration and Production of oil and Gas.
4. Provision of energy Solutions.
5. Production of petroleum products. Generally, deal in any oil, gas and other volatile substances, lubricating base oils and carbon black feedstock's.

The company head office is in Dar es salaam and has an operating plant in Mtwara. The state of art Dar es Salaam office has all the modern communication facilities linked to its operations at Mtwara Station.

The company's business acumen and pedigree will guarantee customer satisfaction. Such a facility serves the petroleum, oil and gas sectors as well as haulage service providers. Current demand for such a facility in Tanzania, East and Central Africa is big.

In setting up the facility, the intended energy project will import;

1. Specialized transport and fluid handling trucks.
2. Drilling and workover Rigs (Mobile).
3. Seismic and Exploration Vehicles.
4. Well Site Service Vehicles.
5. Petroleum Fleet Vehicles. etc.

The project implementation period is estimated to be three years and will cost about USD One Billion Two Hundred Seventy-Seven Million Eight Hundred Twenty-One Thousand only (USD 1,277,821,000.00). This estimated investment cost will be on production, equipment, training and other related initial costs.

2. INVESTMENT PLAN:

This Business Plan, prepared by **SONELL ENERGY LIMITED**, is for setting up of an Energy service project to cover the whole of Eastern and Central Africa.

This investment proposal is prepared to show an analysis of the financial, human, technical and other resources required for the running of the project and also assess its economic and commercial viability in order to mobilize funds for the project geared towards the success of the project.

The TIZESA certificate will enable the project to qualify for duty exemption on Deemed Capital Goods and VAT Deferral on capital goods. The deemed capital goods such as Solar panels and modules, solar charger controllers, solar inverters, vacuum tube solar collectors, Liquefied petroleum gas (LPG) tanks or cylinders, compressed natural gas (CNG), specialized utility vehicles and other essential equipments. It is hoped that the TIZESA incentives will allow the project to enjoy services rendered at the one stop center at Tanzania Investment and Special Economic Zones Authority such as acquisition of licenses, support services and incentives from other departments like Land and TRA for tax exemptions during the importation of some items from overseas.

3. TARGETED MARKET

There is a very big demand for petroleum, oil and gas products in Tanzania and this demand extends to East and Central Africa region especially in land locked countries such as DRC, Rwanda, Burundi, Uganda, Malawi and Zambia and this is the targeted market. Tanzania as a main gateway to East and Central Africa is well positioned to have such a facility geared towards serving this important and fast growing market.

4. COMPETITION/MARKET

It is established that a number of foreign and local companies are operating similar facilities in Tanzania. However, demand far exceeds supply of similar petroleum products. Therefore, there is enough room for more production and hence the urgent need of establishment of this important project.

5. SERVING REMOTE AREAS

Supply and distribution of petroleum products from this facility will ensure cheaper pump prices in the areas surrounding Mtwara region as distribution costs will be rendered lower due to shorter distances covered as compared to fuel supplies from Dar es salaam.

This facility will also conveniently serve neighboring countries especially Northern Mozambique and Malawi.

6. ECONOMIC GROWTH AND ENVIRONMENTAL PROTECTION.

This important project will act as a catalyst in bringing about livelihood improvement of surrounding communities as this project will facilitate establishment of small and medium scale enterprises (SME's) as well as protecting the environment as communities will get away with use firewood and charcoal and move to use of gas for cooking.

Tanzania's political stability has over time attracted massive Foreign Direct Investments. In the wake of these political successes this company has deemed

fit to invest in Tanzania.

7. TRANSPORTATION FACILITIES:

- Specialized transport and fluid handling trucks.
- Fuel Tankers.
- Heavy lifting equipments.
- Dump Trucks.
- Pick-ups.
- Communication and IT equipment.
- Utility Vehicles etc.
- Workshop equipments.

8. SHAREHOLDERS (PROMOTERS)

The following are the founding shareholders/promoters: -

No.	Name of Shareholder	Nationality	Percentage
1.	Babajide Olusola Babatope	Nigerian	65%
2.	Olatunji Abiola Onakoya	Nigerian	10%
3.	Taiwo Oludele Atunwa	Nigerian	10%
4.	Oladipo Dabiri	Nigerian	10%
5.	Ismail Said Hemed	Tanzanian	5%

The authorized capital of the company is Tshs 1,000,000,000/= divided into 100,000/= ordinary shares of Tshs. 10,000/= each. The company shall have power to increase its capital and to divide the shares in its capital for the time being to classes of stock or shares and to attach thereto respectively such profits, special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the company.

9. LOCATION

The company registered office is located at Kilwa House 369 Toure Drive, 2nd Floor, Office No:8 Oyster bay, Kinondoni district, Dar es salaam.

10. COMPANY IMPLEMENTATION SCHEDULE

12.1 January, 2026:

- i. Preparing feasibility study for the project.
- ii. Registration of all necessary licenses from government institutions.
- iii. Acquisition of certificate of incentives.

12.2 Febuary,2026:

- i. Application for import duty exemption on:

Specialized transport and fluid handling trucks.
Drilling and workover Rigs (Mobile).
Seismic and Exploration Vehicles.
Well Site Service Vehicles.
Petroleum Fleet Vehicles. etc.

- ii. Clearing the fleet of vehicles from customer control.

13.3 March-2026:

- i. Staff Recruitment:
Its estimated that the project will employ about 800 Tanzanians. These will include Engineers, Mechanics, Technicians, Drivers, Machine operators, Doctors, Nurses, IT and Administration staff and casual staff etc.

11. INITIAL CAPITAL INVESTMENT COST

No	Particular	TZS
1.	Land/ Building	100,000,000
2.	Plant/ Machinery	500,000,000
3.	Vehicles	200,000,000
4.	Furniture and fittings	30,000,000
5.	Pre-expenses	30,000,000
6.	Other expenses	17,821,000
7.	Working Capital	400,000,000
	TOTAL	1,277,821,000

12. FINANCIAL PLAN (SOURCE OF FUND)

SONELL ENERGY LIMITED has set aside adequate funds for the implementation of this project. These funds will be raised through: -

Particulars	USD
Own fund (Equity)	40%
Local Loan	15%
Foreign loan	45%
TOTAL	100%

13. SUBMISSION

SONELL ENERGY LIMITED hereby submits the investment proposal and application for incentives to the TISEZA for registration and issuance of certificate of incentives for the establishment of this project.

The Energy development project will commence immediately after the company is registered by TISEZA and issued with the certificate of incentives.

14. BUSINESS STRATEGY

In order to meet the current demand, company management will source state of art technology and recruit well trained and competent staff for running the project.

15. ENVIRONMENTAL ASPECTS

To preserve and protect the environment the company will adhere to international established standards required in implementing similar projects.

16. IMPACT ON TECHNOLOGY

Owing to the adherence to well established international standards of production and transportation in the petroleum, oil and gas sector this project will facilitate transfer of technology in this related field as well as transfer of knowledge through training.

17. FINANCIAL AND ECONOMIC ANALYSIS

Projected Profit and Loss Analysis

The company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD \$ 260,000 in year two, USD \$ 270,000 in year three and USD \$ 280,000 in year four.

Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met on timely.

18. SENSITIVITY ANALYSIS:

Project viability assessment analysis of the project has been worked out on the basis of several unfavorable factors that might affect negatively the operations of SONELL ENERGY LIMITED.

24.1 Effect of cost increase on profitability (on the basis of year II PETROLEUM, OIL AND GAS INCOME in USD.

Income	Costs	Increase %	Profit Before Depreciation
760,000	500,000	%	260,000
760,000	525,000	5%	235,000
760,000	550,000	10%	210,000

24.2 Effect of PETROLEUM, OIL AND GAS INCOME

Decrease/drop on profitability (on the basis of year II costs in USD)

Income	Income Decrease	Costs	Profit Before Depreciation
760,000	%	500,000	260,000
722,000	5%	500,000	222,000
684,000	10%	500,000	184,000

The viability/profitability of the company operations appears more sensitive to sales

Income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to expand its customer base and expand its market.

Appendix I

SONELL ENERGY LIMITED PROJECTED INCOME STATEMENT (Fig. USD '000')

INCOME	I	II	III	IV
Sales Income	720.0	760.0	800.0	850.0
Total Income	720.0	760.0	800.0	850.0
Utilities	150.0	150.0	150.0	150.0
Salaries and Wages	80.0	85.0	90.0	100.0
Transportation/fuel	100.0	105.0	110.0	120.0
Administrative Expenses	100.0	110.0	120.0	130.0
Other Expenses	40.0	50.0	60.0	70.0
Total Expenditure	470.0	500.0	530.0	570.0
Net Profit (Pre-Tax and Depreciation)	250.0	260.0	270.0	280.0

Appendix II

SONELL ENERGY LIMITED PROJECTED CASHFLOW STATEMENT (Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	250.00	260.00	270.00	280.00	290.00	1,350.00
	250.00	260.00	270.00	280.00	290.00	1,350.00
Cash outflow						
Interest payments	50.00	45.00	40.00	35.00	30.00	200.00
Loan re-payment	50.00	50.00	50.00	50.00	50.00	250.00
Wear & tear	10.00	12.00	14.00	16.00	18.00	70.00
Taxes	10.00	10.00	10.00	10.00	10.00	50.00
	120.00	117.00	114.00	111.00	108.00	570.00
Surplus cash generated	130.00	143.00	156.00	169.00	182.00	780.00

Appendix III

SONELL ENERGY LIMITED PROJECTED LONG TERM LOAN REPAYMENT (Fig. USD '000')

Year	Repayment			
	Principal	Interest	Total	Amount
I	50.0	45.0	100.0	450.0
II	50.0	40.0	95.0	400.0
III	50.0	35.0	90.0	350.0

IV	50.0	30.0	85.0	300.0
V	50.0	25.0	80.0	250.0
VI	50.0	20.0	75.0	200.0
VII	50.0	15.0	70.0	150.0
VIII	50.0	10.0	65.0	100.0
IX	50.0	5.0	60.0	50.0
X	50.0	0.0	55.0	0.0

Appendix IV

SONELL ENERGY LIMITED PROJECTED BALANCE SHEET (Fig. in USD '000')

No.	Item	Year I	Year II	Year III	Year IV	Year V
	Source of funds					
1.	Shareholders' funds	100.00	150.00	200.00	250.00	350.00
2.	Long term Loan	100.00	95.00	90.00	85.00	80.00
3.	Associated Cos/Director	100.00	100.00	100.00	100.00	100.00
4.	Current Liabilities	400.00	350.00	300.00	250.00	100.00
		700.00	695.0 0	690.00	685.00	630.00
	Application of funds					
1.	Fixed Assets	300.00	300.00	300.00	300.00	300.00
2.	Current Assets	630.00	485.00	390.00	295.00	200.00
		930.00	785.00	690.00	595.00	500.00

19. CONCLUSION AND RECOMMENDATION

Having gone through these financial and market studies SONELL ENERGY LIMITED has satisfied itself to the viability of this project. It is expected that this project upon its implementation, will:

1) Contribute to economic growth and government Revenues:

The project will significantly increase FDI, Tax Revenue and Transit Fees for the country.

2) Job creation and skills Development:

Thousands of direct and indirect jobs will be generated in construction, logistics and maintenance, boosting local expertise in energy sector.

3) Local content participation:

Tanzanian companies will be encouraged to participate by supplying goods and services, strengthening the local SME's sector.

4) Protect the environment through shift from use of biomass to cleaner energy.

5) Expansion of regional trade.

Based on the above factors, it is recommended that the company be granted certificate of incentives for the implementation of this project so that the project will be able to import and enjoy tax exemption on Capital Deemed Goods and be able to implement this important project for National development.