

SONELL ENERGY LIMITED BUSINESS PLAN FOR LIQUEFIED PETROLEUM GAS (LPG) STORAGE INFRASTRUCTURE PROJECT

SETTING UP FACILITIES FOR OPERATING ENERGY PROCESSING AND DEVELOPMENT PROJECT

1. INVESTMENT PLAN

The Business Plan was prepared by **SONELL ENERGY LIMITED** for setting up of Energy processing, development and storage infrastructure project to cover the demand of whole Eastern and Central Africa.

The investment proposal is prepared to clearly show an analysis of the

financial, human, technical and other resources required for how to run the project smoothly and also assess its economic viability and commercial viability in order to allocate funds for the storage infrastructure especially in providing bulk fuel storage and distribution services to agricultural and commercial customers, safe storage and handling of LPG, and production of blended lubricants for local and regional markets.

The TISEZA certificate will enable the project to qualify for duty exemption Deemed capital Goods and VAT Deferment on capital goods. The deemed capital goods such as Solar panels and modules, solar charger controllers, solar inverters, vacuum tuber solar collectors, Liquefied petroleum gas (LPG) tanks or cylinders, Compressed natural gas (CNG), utility vehicles (with some exceptions), other essential equipment and enjoy the services under one stop center at Tanzania Investment And Special Economic Zones Authority. Such as licenses, incentives of other departments like land, and TRA for tax exemptions during the importation of some items from overseas.

2. COMPANY BACKGROUND

SONELL ENERGY LIMITED is a private Company based in Dar es salaam Region and also situated at Mtwara Region for project operations was incorporated in Tanzania by Registrar of companies under Companies Act with Certificate of incorporation No. 191764641 since 2025.

The company has been incorporated with different objectives like;

1. A bulk storage facility (farm tanks).
2. An LPG (Liquefied Petroleum Gas) storage facility.
3. A Lubricant blending plants.
4. The integrated facility will provide bulk fuel.
5. And distribution services to agricultural and commercial customers.
6. Safe storage and handling of LPG.
7. And production of blending of lubricants for local and regional markets.

This project has been structured to align with applicable investment incentives for energy storage, gas infrastructure and local manufacturing. By categorizing the project as a bulk storage facility, and lubricant blending plant, we expect improved eligibility for tax breaks, customs relief on imported plant and equipment, and other sector-specific incentives. All required documentation to support incentive applications will be prepared once the final project description is approved.

Hence, the established program of 3 years is setting up facilities for the energy project is estimated to be One Billion two hundred seventy-seven million eight hundred twenty-one thousand shillings only 1,277,821,000/= Billion. The estimated investment capital cost of 1,277,821,000/- will be on production equipment for the petroleum project and other items.

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

1. Bulk storage facility (farm tanks).
2. LPG (Liquefied Petroleum Gas) storage facility.
3. Lubricant blending plant.

3. TARGETED MARKET

There is very big demand for the bulk storage infrastructure as a business in Tanzania and extending its demand to the Eastern and Central Africa regions especially land locked countries.

The target markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi, Uganda and Zambia that don't have harbors. The directors have already negotiated contracts with various companies in the mentioned countries. The mentioned countries depend on Tanzania for most of reliable facilities for its position of being a country open to the harbor that is booming recently.

4. BUSINESS IN FAR REGIONS

In Tanzania mainland there is a shortage of this facility (LPG storage

infrastructure) mostly at the coastal zone besides Dar es salaam, the country is trying to connect other regions with the pipeline of gas from Mtwara to different regions and recently the oil from Albertine Graben Sedimentary Basin to Tanga, there is still shortage of storage as expected from market. Those places need merchandise from Mtwara, Tanga and Dar es Salaam where the source of goods and merchandize from abroad would lead to development in most of the regions.

5. ECONOMIC GROWTH

The economic growth has influenced a shift of most of the businessmen and women to invest in LPG storage facility. This is due to the growing of demand day by day and hence increased energy demand mostly in the remote areas where the government hasn' t yet out reached people.

6. LANDLOCKED COUNTRIES

Land locked countries need energy facilities for people in their regions to also enjoy but also encourage development (instead of burning down foils for energy use, there could be replacement of usage of gas in place of forests for charcoal.

Thus, the market is growing day by day due to the growth of business and the marketing of companies.

The market survey conducted by the company has noticed that there is high demand of LPG business in Tanzania as well as land locked countries which do not have enough of such opportunities with better services. The operation of the company business will enable land locked countries to get their services from SONELL ENERGY LIMITED.

There are few companies with a haulage of services offered to the public in generally.

SONELL ENERGY LIMITED intends to increase more of the services such as connecting people, with the reach of LPG where need be in mainland where there is a shortage of such services due to remoteness and poor access.

7. TRANSPORTATION FACILITIES

- ✚ Cargo trucks.
- ✚ Pick-ups.
- ✚ Cargo vehicles.
- ✚ Workshops equipment.
- ✚ Communication equipment.
- ✚ Crain cargos
- ✚ Utility Vehicles etc.

8. THE COMPANY OBJECTIVES

The objective of SONELL ENERGY LIMITED business in Tanzania Mainland is to operating to the whole of Eastern and Central Africa especially the land locked countries.

The mission of proposed energy development project is basically aimed at Liquefied Petroleum Gas (LPG) storage infrastructure business and promotion of the energy development and construction project in order to increase customers from Tanzania and neighboring countries due to the following objectives: -

- ✚ To centralize Procurement System by promoting Bulk Procurement System (BPS) to reduce import costs, improve efficiency, and stabilize local prices.
- ✚ Aiming at the government initiatives and strategy to reduce the use of wood and charcoal, which currently account for nearly 90% of primary energy supply.
- ✚ To expand last-mile distribution into rural and peri-urban areas through results-based financing (RBF). This includes subsidizing starter packs to make them more affordable.
- ✚ Due to proposed regional infrastructure to have additional fuel storage at Mbamba Bay port to enhance regional distribution.
- ✚ To increase national storage capacity to meet rising demand and reduce reliance on imported packed cylinders.
- ✚ To aim at significantly reducing premature deaths from indoors air

pollution and curb deforestation.

- ✚ To Purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, blend, smelt, store, hold, transport, use, experiment with, market, distribute, exchange, sell and otherwise dispose of.
- ✚ To trade and generally deal in any and all kinds of petroleum and petroleum products, oil, gas and other volatile substances lubricating base oils and carbon black feedstocks, asphalt, ozokerite, Sulphur, clays, bitumen, bituminous substances.
- ✚ To carry on the business of compressing, bottling and distributing liquefied petroleum, gas and other gases for lighting, heating, motive power or for use as industrial fuel, commercial fuel or domestic fuel.
- ✚ To act as agents, dealers, transporters, carries, distributors, representatives of any person, company, government or statutory body or autonomous body manufacturing vehicles, types, batteries, vehicle accessories, petroleum gas, ammonia and other gases of any nature whatsoever.
- ✚ To acquire by purchase, lease, contract, concession or otherwise any and all real estate, lands, land patents, options, grants, concessions, franchises, water and other rights, privileges, easements, estates, interests, properties and reserves of every kind and description whatsoever which the company may deem necessary or appropriate in connection with the conduct of any business enumerated in this Memorandum of Association, or any other business in which the company may lawfully engage and to own, hold, operate, improve, exploit, reorganize, manage, grant, lease, sell, exchange or otherwise dispose of the whole or any part.
- ✚ To purchase, drill for, or otherwise acquire and to use, store, transport, distribute, sell or otherwise dispose of water, and to acquire by purchase, lease or otherwise and to erect, construct, enlarge, own hold, maintain, use and operate waterworks and water systems for supplying water and power for any all uses and purposes.
- ✚ To manufacture, purchase or otherwise acquire and to hold, own, invest, trade and deal in, mortgage, pledge, assign, sell, transfer otherwise dispose of goods wares, merchandise and personal property

of every class and description and to transport the same in any manner.

- ✚ To trade and undertake the business of mining of coal and other minerals, including the management of mines and to mine, quarry or beneficiate coal and manufacture coke and other by-products of coal and to buy, sell, import, export, manufacturing coke and other by-products of coal and to buy, sell, import, export, manufacture, acquire or otherwise.
- ✚ To search for, prospect, explore, develop, drill, extract, pump, draw, transport, purify, manufacture, produce, buy, sell or otherwise dispose of hydrocarbon petroleum, natural gas, other minerals and seabed resources of any kind.
- ✚ Income generation, alleviation of poverty and improvement of social welfare to employees such as local employment, acquiring of knowledge from training, mechanics and other staff etc.
- ✚ The company contribution to the government revenue through taxes and other levies like corporate taxes, PAYE.

9. PLAN/PROSPECTS

- ✚ Smoothly run the energy business.
- ✚ For efficient and effectiveness in operation and increase energy development business to other neighboring countries mostly landlocked countries and hence resulting to addition prevailing local market.
- ✚ To increase more facilities for LPG storage facility, energy development, equipment with new and modern technology.

10. SHAREHOLDERS (PROMOTERS)

SONELL ENERGY LIMITED is a project for LPG storage infrastructure and the following are the 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%

Therefore, the authorized capital of the company as per the beginning was Tshs1,000,000,000/= 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.

11. LOCATION

The company business premises are located at Dar es Salaam Region, Kinondoni district, Oysterbay ward, P.O. Box 12288, Kilwa House 369 Toure Drive, 2nd Floor, Office No:8 Oysterbay Dar es salaam.

12. COMPANY' S IMPLEMENTATION SCHEDULE

12.1 January, 2026

- ✚ Preparing feasibility study for the project.
- ✚ Registration of all necessary licenses from government institutions.
- ✚ Getting the certificate of incentives.

12.2 Febuary,2026

- ✚ Application for import duty exemption on project equipment, trucks and pick-ups after being awarded certificate of incentives in the establishment programmer.
- ✚ Clearing the fleet of vehicles from customer control.

13.3 March-2026

- ✚ Recruiting new employees; like the local workers, mechanics and other administration staff of more than 800 employees.

13. CAPITAL INVESTMENT COST

No	Particulars	TZS
1.	Land/ Building	200,000,000
2.	Plant/ Machinery	300,000,000
3.	Vehicles	300,000,000
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
8.	Total	1,277,821,000

The intended energy development project is to be implemented within three (3) years. The company' s shareholders have resolved to register the project under Tanzania Investment and Special Economic Zones Authority to secure the certificate of incentives.

14. FINANCIAL PLAN (SOURCE OF FUNDS)

SONELL ENERGY LIMITED has firmed up finances for the implementation programmed by its own fund and loan as follows: -

Particulars	USD
Own fund (Equity)	638,910,500
Local Loan	0
Foreign loan	638,910,500
TOTAL	1,277,821,000

15. SUBMISSION

SONELL ENERGY LIMITED submits the investment proposal and application to the TISEZA for registration and award of certificate of incentives for the

commencement LPG storage infrastructure projects.

The Energy development project will soon commence after the company is registered by TISEZA and being issued with the certificate of incentives. Thereafter, the company will import facilities, the certificate of incentives will enable the project to qualify for duty exemptions on capital/ deemed capital goods.

16. ECONOMIC GROWTH

The current economies growth which had been registered in Tanzania, as the result of investment, business, mining has attracted more investors as well as energy sectors such as petroleum business. The economic growth with influence of stability in the country as demand is growing day by day for the region around the country which would cause more of innovation for the other regions and the country itself.

17. COMPETITION/MARKET

Despite there being other competitive companies in oil, gas and petroleum, still the facility is not enough compared to the level of demand.

However, the intended project will provide trustworthy, efficient and quality services to dominate the local and outside market because the project ensures high quality, promptness and goodwill.

18. ADVERTISEMENT

Advertisement which forms part of the marketing strategy, will be embarked upon newspapers, streets banners and later on in the televisions in a manner benefiting promotional role of any company of private institutions.

19. BUSINESS STRATEGY

In order to meet the current demand and high productivity, the management of the company will develop and implement additional strategy which will

capture markets.

- ✚ Technology.
- ✚ Advertisement/ promotion.
- ✚ Employment qualified and experienced drivers.
- ✚ Job training.
- ✚ Business discipline.

20. ENVIRONMENTAL ISSUE

The energy business and the whole process of operating its services will undergo the environmental measures before anything of operational can be out in place, thus being environmentally friendly.

21. PROJECT MANAGEMENT

SONELL ENERGY LIMITED being the energy project based on oil, and petroleum in its commencement will usher in the technology (transfer of knowledge/technology) by using modern equipment and workshop activates. The advantages to the country are quite significant and will get the advantage of value addition due to the incoming technology. Further, the country can reduce its dependence on other means of usage of energy like the burning of charcoal.

The proposed project will cause more people to be employed in different sectors as; mechanic, security guards, drives, accountants, managers and about 800 local people will increase their income, improve their social welfare and pay taxes, it is poverty alleviation programmed to them.

22. CONCLUSION AND RECOMMENDATION

The financial evaluation of the LPG storage facility done so far in this project will be profitable both economically and financially viable venture. Also, there are many other benefits direct and indirect of this project.

The management being experienced businessmen possess sample managerial capabilities in various business disciplines. Based on the above

factors, it is recommended that the company be granted certificate of incentives for the implementation of the transportation project so that the project will import and enjoy tax exemption on Capita/Deemed Goods and increase its production capacity.

23. FINANCIAL AND ECONOMIC ANALYSIS

Projected Profit and Loss Account

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.

24. SENSITIVITY ANALYSIS

To access further the viability of the implementation project sensitivity analysis has worked out on the basis of several unfavorable conditions that might affect negatively the operations of SONELL ENERGY LIMITED.

24.1 Effect of cost increase on profitability (on the basis of year II Liquefied Petroleum Gas (LPG) storage infrastructure 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

24.1 Effect of Liquefied Petroleum Gas (LPG) storage infrastructure

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 hire more clients and expand its market or clients' base.

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 BALANCED 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	695.00	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