

Prospectus

Dalol Oil Share Company



DALOL

Prospectus 01



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Message from the Promoters

Ethiopia is currently on the edge of rapid economic development with consistent double-digit growth over the last successive years. The trend in sustainability of economic growth is being witnessed in all the critical areas of consumption indicators such as power, energy, cement etc. The consumption of petroleum products such as petrol, diesel and kerosene has been significantly growing with an increase of 10% in consumption on year-to-year basis. Consumption of lubricants and lubrication oil has also shown a double-digit growth over the last three years. In addition, the fact that petroleum is a necessity product and its demand is inelastic makes the growth sustainable even in times of any economic slowdowns.

For long, few multinational Oil Companies with little competition to satisfy the increasing demand had dominated the petroleum industry. Despite persistent and increasing growth in the demand for petroleum products, the network expansion and supply by existing Oil Companies is slow moving. Recent trends in the exit of multinational oil companies is further weakening the strength of the Oil Industry to service the growing demand of the nation for petroleum products.

Dalol Oil S.C. is a company founded by Ethiopians with a wealth of local and international experience in the Oil Industry and with a determination to shape and

strengthen the future of Ethiopian born prosperity. Dalol Oil S.C. aims to play a significant role in satisfying the nation's growing petroleum products and services demand whilst giving investors a stable and attractive rate of return on their investment.

Siket Promotion PLC, a company that promotes Dalol Oil S.C., is proud to present an investment venture, which can be passed from generation to generation with a high and stable rate of return whilst expanding the nation's capacity to satisfy the increasing demand on the energy sector. We hereby extend our invitation to you, our fellow citizens and foreign investors, to subscribe for shares and be part of our grand vision to form Ethiopian born Oil Company that will create a substantial employment opportunity for Ethiopians and leave a legacy and lifetime profitability for you and your generations to come.

Ededeya Assefa
General Manager
Siket Promotion PLC.

Summary Information on Sales of Shares

Dalol Oil Share Company

OFFERS

150,000 REGISTERED ORDINARY SHARES FOR PUBLIC SUBSCRIPTION

PAR VALUE PER SHARE	BIRR 1,000.00
OFFERING PRICE PER SHARE	BIRR 1,000.00
SERVICE CHARGES PER SHARE	BIRR 70.00 (7%)

Those who Purchase 100 shares and above and who Invest in full until October 31st 2009 will be eligible to win a chance of being Dealer for Dalol Oil Company Owned Service Stations.

TERMS OF PAYMENT	30% payment on subscription 40% by 01 March 2010 30% by 01 September 2010
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For domestic investors

Minimum Investment	10 shares (Birr 10,700)
Maximum Investment	20 % or 30,000 shares (Birr 32.1 million)

For foreign investors of non-Ethiopian origin

- Minimum capital requirement for investment in partnership with domestic investors is USD 60,000.

OFFER OPENED:	01 September 2009
OFFER CLOSES:	31 December 2009

Address

Dalol Oil Share Company
P.O.Box 11937
Ethio-China Friendship Street (Wollo Sefer)
New Building next to Medco Bio Medical College, 2nd Floor
Addis Ababa, Ethiopia
Tel -251 114 163838, 251 114 165757
251 114 161732, 251 114 161733
Fax -251 114 164002
Email - Info@daloloil.com
Website - www.daloloil.com

Promoters Profile



Ato Ededeya Assefa
CEO and Main Promoter of Dalol Oil S. C.

Ato Ededeya Assefa has obtained his MBA in Business Administration from Edinburgh Business School, Scotland and BA degree in Management and Public Administration from Addis Ababa University. He joined Shell in 1998 and has been working with the company for over a decade assuming a variety of roles in Ethiopia, Africa and Asia Pacific.

Ededeya has worked as Sales Representative for Addis Ababa, Northern, Western and Southern Ethiopia where he was responsible to manage the overall operation of Shell Service Stations across the country. Later, he was promoted as Retail Network Development Manager, where he was responsible to manage the company's Retail Network Portfolio through optimal investment and divestment on Shell Service Stations. Notably, he has developed a five years Retail Network Master Plan for Shell Ethiopia which served as a road map for the company to focus on key strategic network locations viable for opening up of Service Stations and divestment of non-profitable assets.

In 2003, Ededeya was expatriated to Malaysia to work as Brand Manager for Shell Malaysia and Singapore. In his role, he has worked as a

custodian of the Shell brand closely working with global Brand and Advertising Agencies such as J. Walter Thomson, One 4 One and others. Whilst in Malaysia, he has also worked as Loyalty Marketing Manager where he was responsible to manage Shell's Program called BonusLink, a popular program that enjoyed over 4 million membership.

Upon repatriation, Ededeya worked for Shell Oil Products Africa as Regional Training Manager for East and South East Africa covering Ethiopia, Uganda, Kenya, Sudan, Egypt, Mauritius, Madagascar, DRC, Botswana and Namibia. In his role, he has been working both with Pan-African and global Shell operating companies where he gained an extensive experience about operations of the Oil Business in different countries in Africa. Upon takeover of Shell Ethiopia by Oil Libya Holdings Limited, he has worked as Retail Manager where he was responsible to manage the overall operation of the company's Retail Business in Ethiopia. Ededeya is also founder of CALD (Center for African Leadership Development), a management & leadership development consultancy firm that provides training, coaching and consultancy services in Ethiopia and beyond.



Ato Fisseha Asres
Associate Promoter and Board Member of Dalol Oil S.C.

Ato Fisseha Asres is the General Manager of Intercontinental Addis Hotel. He has Masters degree in Management from Institute of Social Studies in the Netherlands and Bachelor degree in Management and Public Administration from Addis Ababa University. Ato Fisseha was retained to work as a graduate assistant in the areas of teaching, doing research and consultancy at the then commission for Higher education.

In 1990 he joined Shell Ethiopia Limited, which lasted until October 1999. During these times he has worked in Retail, Consumer, LPG and Aviation Marketing Departments. During his stay with shell a number of Retail stations were opened through the concept, which was developed then as "Dealer Owned" stations. The strong network that he developed with different government organizations gave leverage to the company to win quite many businesses in the consumer sector.

In October 1999 Ato Fisseha joined Hilton International as a Human Resources Manager during which time different initiatives were taken by him to revamp the human resources of the Hotel to make it competitive. Later on he was also appointed as Front Office Operation Manager until he left to take assignment in the new Intercontinental Addis Hotel at the

end of June 2008. During his stay with Hilton, occupancy of the hotel reached 90% and its presence in the community was highly felt for which Ato Fiseha played a significant role.

By mid 2008, he took over his current position at the Intercontinental Addis to become the first Ethiopian General Manager of a Five Star Hotel. He organized the hotel from scratch and did a pre-opening and grand opening of the Hotel with Ethiopian team, which was very challenging. Currently the Hotel is one of the Hot Spots and it is preferred by local and international customers.

Fisseha is one of the founders of Ethio-parents school and has served the school for six years as Board of Directors and Business Development Committee member. In addition, he has served as Board Chairman of Elegant PLC for about six years, Board Member of Systec PLC and Burayu Paper and Packaging PLC for over 8 yrs. He has also participated in the establishment and structuring of Sorene Business Group and worked as a special advisor to the owner for over ten years.

Promoters Profile



Engineer Dereje Walelign
Associate Promoter and Board Member of Dalol Oil S.C.

Eeg. Dereje Walelign is Managing Director of Lydetco PLC, a company engaged in Renewable energy; Managing Director of Abeshakana Trade & Industry PLC, a company engaged in extraction of essential oils & currently president of the Ethiopia Solar Energy Association. Engineer Dereje Walelign has earned his BSC degree in Civil Engineering from Addis Ababa University, Faculty of Technology in 1982.

He started his career in the former Ethiopian Building Construction where he was assigned to work as Site Engineer for the construction of Muger Cement Enterprise plants and later as Project Manager for the construction of Jimma Health Science Institute complex. Notably, whilst Jimma Health Institute was behind schedule to accept students, Dereje had showed his excellence and competence by completing most of the construction works within one year following which he was promoted as Project Manager. Engineer Dereje joined Shell Ethiopia Limited in 1987 and has worked for the company for over 12 years by assuming various engineering roles. Whilst with Shell, he has worked as Project engineer, Equipment engineer, Operations Assistant for Assab installation until he became Engineering Manager for Shell Ethiopia, Shell Eritrea and Shell Djibouti.

In his role as Project Engineer, Dereje was responsible for civil works in the depots and the design and construction of all service stations countrywide. He has also demonstrated his skill in the construction and erection of a conveyor belt system for gas cylinders including filling machinery, LPG pumps, etc. Working as Operation Assistant, he was responsible for the overall fuel product loading from Shell installation in Assab to all over Ethiopia. His work in Assab included the certification of Jet fuel for quality, which involved safety of all airplanes fuelling in any Ethiopian Airport and unloading of marine vessels loaded with petroleum products, which greatly enhanced his knowledge of dealing with foreign fuel transportation.

In his role as Retail Engineer, Engineer Dereje and his team have executed Shell's latest Retail Visual Identity in Ethiopia and were awarded for efficient and timely completion of the project. Among others, highlights of his contribution as Engineering Manager included upgrading of Retail Network in Djibouti, upgrading of bulk bitumen storage tank and modification of various works in Djibouti Depot and various improvement works in Assab Installation.



Engineer Nebiyat Gezahegn,
Associate Promoter and Board Member of Dalol Oil S.C.

Eng. Nebiyat Gezahegn has obtained his BSC in Mechanical Engineering from Addis Ababa University. He started his career in Sugar Industry, where he had assumed Technical Supervisor position. During this period he managed new development projects and solidified his engineering knowledge.

In 1995, He joined Mobil Oil East Africa, a subsidiary of Exxon Mobil and since then he has been working with the company assuming different capacities. He has versatile and solid experience in the Oil Industry, that encompasses Marketing, Engineering and Safety & Environment.

He has worked as Sales Engineer for the Commercial Line of Business; his responsibilities were sales of petroleum products (lubricants and fuels) and other specialties. He was primarily focused in maintaining existing business and developing new businesses. Later he was promoted to Technical Services Supervisory position and successfully managed planned engineering services and facilities. He was acknowledged for improved sales volume & profitably and putting the company at the edge of the competition.

In 2005 following the buyout of Mobil Oil East Africa (Ethiopia) by Total, he has moved to Total Ethiopia and worked in different capacities. He initially worked as Health Safety and Environment Advisor. Then transferred to Engineering and served as Deputy Rebranding Project Manager. Later Assigned in the Marketing Department and worked as Technical Services Manager.

He left Total Ethiopia in 2008, moved to the United State of America and currently working for Westat Corporation and also pursuing his MBA in project management at Maryland University. Engineer Nebiyat plays a significant role in promoting Dalol Oil S.C. to Ethiopians residing in United States of America.

Promoters Profile



Professor Badeg Bekele,
Associate Promoter and Board Chairman of Dalol Oil S.C.

Professor Badeg Bekele is Owner/Founder and President of International Leadership Institute (ILI), a highly successful institute, which provides higher education degrees (MBA in International Business, MPA and MA in Transformational Leadership.) The Institute also offers BA in “Organizational Management”, Business Management, Economics and Community Development. Offering a short-term training on many leadership topics throughout Ethiopia and many parts of the world is what it does. Professor Badeg is a Prominent lecturer and conference speaker who is known for his passion to transform Ethiopia through the propagation of effective leadership practices and the development of human intellectual capital.

His compassion for the nation's development is witnessed in all the works he does and the institutes he established since he returned back to Ethiopia after long years of stay in United States of America. Among others, he has founded an NGO known as “Continental New Life International” in USA which supported the establishment of the health center in Addis Ababa, Ethiopia. The center currently serves over 300 patients every day. He also has built a number of

elementary schools throughout Ethiopia. In collaboration with American Society of Cataract and Refractive Surgery (ASCRS), he has also established a pediatric cataract eye center in Ethiopia. He is also a founder and executive director of Mercy Care International in USA.

Professor Badeg is founder and Board Member of Birhan International Bank, was board member of EECA of America and Canada, board member of CRDA of USA and president of Ethiopian pastors' fellowship of North America and Canada. Professor Badeg has obtained his BA degree from EAST in Nairobi Kenya and MA degree from AGGS in Springfield, Missouri USA. He has also earned Masters of Divinity (M.Div) and PhD degree from Azusa Pacific University in California, USA.

Promoters Profile



Ato Dereje Belay,
Associate Promoter and Board Member of Dalol Oil S.C.

Ato Dereje Belay has obtained his first degree in Economics and Diploma in Business Administration from Unity University College.

Dereje is a young entrepreneur who has been engaged in managing a chain of family businesses from an early age such as transport and different related businesses through which he gained extensive experience in different sectors. He owns a Fuel Station in the town of Hamusit located in northern part of Ethiopia where he acquired a considerable experience in the management and operation of service station. He has worked for more than eight years as a Dealer for Shell Ethiopia Limited, till the divestment of Shell's partial network to KOBIL. Currently, Dereje is also running various successful businesses such as lodge development, real estate and agriculture.

Dereje is one of the founders of the Ethiopian Tour Operators Association. He is also owner of Ethio-Der travel, one of the leading and most successful tour-operating agencies in Ethiopia.



Promoters Profile



Ato Gebreamlak Gebregiorgis
Associate Promoter & Board Secretary of Dalol Oil S.C.

Ato Gebreamlak graduated from the Faculty of Law of Addis Ababa University in 1998. He worked for the Ethiopian Insurance Corporation for a year as an attorney and left the company to join the Faculty of Law of the Ethiopian Civil Service College. After teaching for a year he joined the Norwegian Center for Human Rights, Faculty of Law of the University of Norway and did his M.A. in Human Rights. He continued to teach at the Ethiopian Civil Service College from 2001 until July 2004, in which period he also conducted research on various legal issues and carried out various administrative activities at the Faculty. He joined the University Of San Francisco School of Law, San Francisco, California, in August 2004 and did his LL.M. in International Transactions and Comparative Law. He has been a private practitioner since October 2006. He has conducted research and rendered training for various governmental and private institutions. Gebreamlak is also a co-producer and co-host of a popular weekly talk radio program on various legal issues under title "Sine Hig" which is broadcast on FM 98.1. He is the legal advisor and associate promoter of Dalol Oil S. C.

Overview of the Petroleum Industry In Ethiopia

Ethiopia, at the moment, is a net importer of petroleum products. White and black petroleum products are imported directly by the Ethiopian Petroleum Enterprise (EPE) through third party suppliers. Upon receipt from third party suppliers, EPE stores the products at Horizon Terminal in Djibouti and then distributes the different grades mainly Gasoline (Benzene), Gas Oil (Naphta), Kerosene, Light fuel oil, Heavy fuel oil and Jet fuel to Oil Companies through a fixed margin structure set by the government. In addition, EPE imports Gasoline (Benzene) from Sudan. For the supply of Gasoline in Addis Ababa, EPE has made an agreement with Nile Petroleum, a Sudanese Oil Company operating in Ethiopia, where the latter conducts blending of Gasoline with Ethanol (E5) at its depot in Sululta and distributes E5 to Oil Companies.

Fuels pricing and revisions are made by the government on a monthly basis. Lubricants and greases, however, are being directly imported by the Oil Companies with the intervention of government in setting prices on a quarterly basis. The margin set by the Ethiopian government on lubricants and greases is attractive as compared to the slim margin on fuel.

In the year 2008, the overall consumption of fuels in Ethiopia was over 2 billion liters. By the same year, nationwide Lubricants and greases consumption was over 25 million liters. The consumption of both fuels and lubricants is consistently increasing by 10% on a year on year basis and the trend in growth is expected to continue in a similar pattern over the next years. Increased economic activity coupled with increased government spending in the areas of infrastructure, power, mining and other sectors continues to further expand the demand for petroleum products.

For long, few multinational oil companies with little competition to satisfy the increasing demand had controlled the petroleum industry. Until recently, Shell, Mobil, Total and Agip were the only companies engaged in the distribution

of petroleum products in Ethiopia. Global strategies such companies adopt to focus on Oil & Gas exploration coupled with their stringent operational Safety requirements has forced some of the multinationals such as Mobil and Shell to move away from the distribution of petroleum products in Africa. Currently, there are very few Oil Companies engaged in the petroleum business in Ethiopia. As compared to neighboring countries, Ethiopia has fewer number of Oil Companies with less competition. A case in point is Uganda and Kenya where over 50 independent companies are engaged in the distribution of petroleum products with aggressive competition in the industry.

Despite persistent and increasing growth in the demand for petroleum products, the network expansion (the number of outlets being built) and supply by existing Oil Companies is not adequate. Recent trends in the exit of multinational Oil Companies is further weakening the strength of the Oil Industry to service the growing demand of the nation for petroleum products. In view of the current trends in economic growth and government's plan to invest millions of dollars in infrastructure, hydropower projects, mining and others sectors, the current gaps between demand and supply in the petroleum sector is wide.

Ethiopia is also believed to hold a huge potential for energy and mining. The nation's current efforts in the areas of hydroelectric power projects and exploration of Oil and Gas are clear testimonies of the government's determination to unleash its natural resources. In addition to the lucrative and stable Rate of Return on Investment (ROI) the petroleum distribution business generates at the moment, strengthening capability of local Oil Companies in the sector can serve as a stepping-stone to move into a highly profitable Gas and Oil Exploration business with Ethiopian born prosperity and talent.

Brief Description of Dalol Oil S.C.

Dalol Oil S.C. is a company founded by visionary Ethiopian professionals who are committed to form uniquely Ethiopian Oil Company that:

- Meets international standards
- Redefines customers refueling experience by offering a range of products and services at one stop
- Goes way beyond traditional way of doing business by introducing innovative trade channels that improve customer convenience.

Vision

To be the Most Preferred Oil Company in Ethiopia

Mission

To safely provide customers with quality fuels, lubricants and other related products through convenient, efficient and exceptional services.

Company's Products

Dalol Oil S.C. will adopt a phased approach in the scope of business activities it will be engaged in. During the first two years of operation, the company will primarily focus on the following products and services:

- Fuel products: Gasoline (Benzene), Gas Oil (Naphta) and Kerosene
- Lubricants and greases
- Other related products and services (non fuels related)

On the third year, once the company has held a grip on the market, it will raise additional capital (Birr 100 million) through public offering of second round share sales. During the fourth year of its operation, the company would expand the range of products and services to include:

- Bitumen
- Aviation fuels (Avgas and Jet A-1)
- LPG (Liquefied Petroleum Gas)

Location of Dalol Oil Share Company and its Service Stations

Dalol Oil Share Company will have its head office in Addis Ababa. The company will also construct its mini depot in the outskirts of Addis Ababa during its first five years of operation. The company has already carefully identified strategic cities, towns and locations at which its service stations are going to be built. As a strategy, Dalol Oil S.C. will focus to optimally invest in trade areas with significant traffic flow and locations, which are convenient and accessible for motorists. In addition to the traditional channel of providing service solely through service stations, the company will also introduce its unique channel to provide service by getting much closer to end users.

Five reasons why you should invest on Dalol Oil S. C.

1

The petroleum business generates quick and substantial Return on Investment (ROI):

Unlike many other businesses, the establishment of Oil Company provides flexibility on scale of start up operation. Dalol Oil S.C. aims to finalize sales of shares in maximum of six months and immediately proceed to construct its first phase of Company Owned Service Stations, which will also be finalized in six months. The target date to officially resume business operation is Sept 2010.

The margin set by the Ethiopian government on lubricants and greases is attractive as compared to the slim margin on fuels. Bitumen, Aviation and LPG business also deliver a lucrative margin. In addition to the above margins to be generated from distribution of petroleum products, Dalol Oil S.C. will also aggressively be engaged in Non Fuels Related (NFR) businesses to optimally utilize all its facilities in the world class services stations the company plans to build throughout the country. Below is a summary of projected Income statement and key financial variables that clearly show the profitability of Dalol Oil S.C.

Projected Income Statement for Dalol Oil S.C. For the period from 2011 to 2016

Item	Description	Years					
		2011	2012	2013	2014	2015	2016
Capital Investment	('000) Birr	150,000			100,000		
Network Plan	Number of stations - Company Owned	20	20	20	30	30	30
	Number of stations - Dealer Owned	10	20	30	40	50	50
	Total Number of Stations	30	40	50	70	80	80
Sales Volume	Estimated Industry Volume ('000) lts	3,218,070	3,606,602	4,209,410	4,563,875	5,153,161	5,153,161
	Market share - Dalol Oil S.C.	6%	9%	14%	18%	21%	21%
	Projected sales - Dalol Oil S.C.	201,209	341,740	589,701	820,243	1,067,572	1,067,572
Revenue	Gross Margin ('000) Birr	36,039	57,039	100,887	132,871	188,231	188,231
	Other Operating Income ('000) Birr	1,920	2,112	2,429	2,915	3,643	3,643
	Total Revenue ('000) Birr	37,959	59,151	103,316	135,785	191,874	191,874
Expenses	Storage and Handling Expenses ('000) Birr	(1,373)	(1,510)	(1,737)	(2,084)	(2,605)	(2,605)
	Point of sales Expense ('000) Birr	(638)	(743)	(931)	(1,248)	(1,789)	(1,789)
	Marketing & Selling Expenses ('000) Birr	(8,475)	(9,322)	(10,721)	(12,865)	(16,081)	(16,081)
	Shared Support Services ('000) Birr	(4,517)	(4,968)	(5,714)	(6,857)	(8,571)	(8,571)
	Depreciation ('000) Birr	(6,796)	(6,796)	(6,796)	(13,811)	(13,811)	(13,811)
	Total Expenses ('000) Birr	(21,798)	(23,341)	(25,898)	(36,864)	(42,857)	(42,857)
Net Income before Tax		16,161	35,810	77,418	98,921	149,017	149,017
	Tax - 30%	4,848	10,743	23,226	29,676	44,705	44,705
Net Income After Tax		11,313	25,067	54,193	69,245	104,312	104,312

* NB. Dalol Oil S.C plans to inject additional Birr 100 million capital after three successful years of operation.

2

Nature and size of demand for petroleum products: Petroleum is one of the most traded items in the world. Petroleum is a necessity product and the nature of its demand is inelastic. Unlike other businesses whose demand is impacted by price and other economic variables, the consumption of petroleum products continues to increase even in the face of any economic slow downs. A case in point is the increase in the country's consumption of petroleum products during the period from January to June 2009 which showed an increase of 7% over last year same period. From investment point of view, whilst many other business sectors are impacted by the global financial crisis and showed a declining business trend, companies engaged in the petroleum business in Ethiopia have continued to generate a significant rate of return on investment giving investors' confidence to sustain the current global financial shocks.

3

Petroleum business has minimal risk on investment: The nature of investment on petroleum business is such that once the network of service stations are build, the amount of capital investment on fixed assets will be minimal whilst a significant proportion of investors' capital will be circulating on stock of petroleum products. Stock and inventory being the next liquid form of asset next to cash, being engaged in the sectors provides investors with flexibility to diversify business. In addition, Oil Companies are also enjoying a 30 days credit on supply of fuels from EPE, an incentive the Ethiopian government has provided to facilitate a smooth distribution of the products across the country. From control point of view, the petroleum business is a safe business for investors as costing and pricing mechanisms are highly transparent and automated. Dalol Oil S.C. also plans to invest on required systems and IT infrastructure to ensure that there will be no control gaps in the operation of the business.



4

Invest in Dalol Oil S.C. and there is something in it for you: If you are one of the first early buyers of share during the first two months of sales of shares, and provided that you have purchased **100 shares and above and Invest in full by October 31st 2009, you will be eligible to win a chance of being Dealer for DALOL OIL Company Owned Service Stations.** Are you an entrepreneur with the qualification and enthusiasm to win a chance to operate as a self-employed Dealer? If your answer is yes, Dalol Oil S.C. is for you.

If you would like to invest your money on venture that provides you and your family with the financial protection and stability in the face of difficult economic times, Dalol Oil S.C. is an investment for you.

Finally if you are wondering about inflation and what to do with the level of capital you have at hand, Dalol Oil S.C. is your company giving you the best out of your investment whilst leaving you to focus on other personal activities.

5

Dalol Oil Share Company deploys a world class management expertise: The following are areas of strength which makes Dalol Oil S.C. to be a highly successful company in a short period of time:

- Founders of the company are visionary and have a wealth of local and international firsthand work experience in Multinational Oil Companies such as Shell and ExxonMobil.
- With regard to lubricants and greases, Dalol Oil S.C. will carry an international brand that meets high quality standards. When found appropriate, Dalol Oil S.C. partners and/or joint ventures with international companies engaged in the Oil Business and related services so as to gain synergy and competitiveness.
- We strive to optimize on all our investments by effectively utilizing 100% of our network facilities and also carefully investing on key strategic locations.
- We will not be limited with the traditional ways of doing the petroleum business by solely focusing on fuel products. We will make all our service stations a one stop shopping center for our motorists by providing a range of non fuels related businesses with excellence in customer service.

PART A - STATUTORY INFORMATION

Establishment and Registration

Dalol Oil S.C is a share company incorporated and registered by the Federal Ministry of trade and Industry on 28 August 2009 as per the Ethiopian Commercial Code. The company is formed by 7 individuals with an initial capital of Birr 1,400,000 (One million four hundred thousand) based on a par value of Birr 1,000 (one thousand) for each share. The seven founders are individuals whose profile is also presented on this prospectus. Based on the current offer, the share capital will be increased to Birr 151,400,000 through the issuance of additional shares of 150,000 shares of Birr 1,000 each.

Company Objectives

As per Memorandum of Association, the following are business Objectives of Dalol Oil S.C.

1. Distribution of fuel products
2. Importation and distribution of lubricants and greases
3. Operation of service stations
4. Transportation of petroleum products
5. Exploration and refinery of gas and oil
6. Operation of other related business activities.

Organization and Management

Organizational Structure



Organization

The highest decision making body of the company will be the General Assembly of Shareholders which will hold annual regular meetings to look into operational details. However, Extraordinary General Meeting of Shareholders can be held more often, as and when the situation warrants.

The shareholders at their initial official meeting will appoint the Board of Directors, whose office will be retained for a term of three years. The Board of Directors will be responsible for policy matters, approval and follow-up of annual programs and budgets, and the appointment of the Chief Executive Officer of the Company.

Management

Dalol Oil S.C. has set up an office, headed by Ato Ededeya Assefa, to manage the company.

External Auditors

To be appointed by the General Meeting of Shareholders.

Profit Allocation

As per Article 310 of the commercial code, by accepting the offer made hereby, each applicant irrevocably agrees that 14 percent (14 %) of the net profit for the first three years of operations will be allocated to the Promotese of the company as stated above. The promoters of the company are the seven individuals whose profile is also stated in the prospectus and who are owners of Siket Promotion PLC. The starting date of operation is the date after completion of construction of service stations and the official resumption of the company's operation.

Financial Information

Present Status

The initial formation capital of the company

is made by the seven founders and amounts Birr 1,400,000 (One million four hundred thousand) based on a par value of Birr 1,000 (one thousand) for each share. Each founder has made a capital contribution of Birr 200,000 (200 shares). The company will not however be fully capitalized until the closing of the offer for the sale of shares.

Bank Loans

There are no bank loans at present but the company may obtain overdraft facilities from banks to finance its working capital.

Dividend Policy

Each shareholder is entitled to a dividend on the net profit of the Company according to shareholding. The General Meeting of Shareholders will declare the amount of dividend to be paid.

Sales of Shares

How to subscribe

Prospective shareholders may obtain a copy of the prospectus from the office of the promoter or authorized sales agents. Those residing abroad can download from our website www.daloloil.com Offer is open from 01 September 2009 to 31 December 2009. Two application forms (one for individual and the other for corporate applicants) are available at the end of this prospectus. Subscribers may also collect these forms from the promoter's office, authorized agents or Dalol Oil's website.

Payment for Subscription

Price per share is Birr 1,000 plus Birr 70 per share as service charge. The Payment for the Share Subscription should be deposited in the Blocked Accounts under the name of "Dalol Oil S.C. and the service charge should be deposited in the Current Accounts of "Siket Promotion PLC" opened at the same branches for this purpose. The share value will be deposited in blocked account and it will only be operated with the

decision of the general assembly of the shareholders. The cumulative of services charges is intended to cover research and administrative costs, sales commission, formation costs, consultant costs, and other related promotion costs to establish the company.

Payment can be made either fully or partially as per terms of payment stated on page 3. Service charge shall be paid out in full upon subscription. All payments should be made either in person at our office or by bank deposit at banks indicated in this prospectus. Subscribers should bring the bank slip to the Company's Office or to the authorized sales agents. Any incomplete forms or one without the attached deposit slip will not be accepted. Prospective subscribers should note that the sales agents are not expected to receive cash.

The deposit slip and confirmation letter are evidence of subscription of shares and Subscribers should keep them carefully until formal share certificate is issued upon payment for the total number of shares subscribed. Share Certificates will be issued only after the completion of payment for the total number of shares subscribed. Share certificate will indicate how much of the payment has been received.

PART B - SUPPLEMENTARY INFORMATION

Summary of Memorandum of Association

The Memorandum of Association contains 13 Articles. This deals with the founding of the Company, including the Founding Shareholders and the Business Objectives of Dalol Oil S.C. The Memorandum of the company also states the organs of the company and their respective powers and the manner of distribution of profits.

Summary of the Articles of Association

The Articles of Association states procedures that govern the operation of the company. The articles contain 30 Articles which deal with procedural and administrative matters such as calling of general meeting, quorum, proxy, and majority requirements at General Meetings, powers and duties of the Chief Executive Officer, keeping accounts and financial reporting of the Company, withdrawal of membership and death of a member. The relevant Articles also detail that there is only one class of shares and the rights attached to such shares as well as the right and liabilities of shareholders.

Ownership

Ownership is guaranteed with a share certificate upon full payment. Each shareholder shall enjoy the power of deciding on the company's affairs either through direct voting at the General Assembly or through the Board of Directors.

Documents Available for Inspection

- Memorandum of Association
- Articles of Association

Important Banks Accounts

<ul style="list-style-type: none"> Commercial Bank of Ethiopia, Gotera Branch <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>0171843076100</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>0171843076200</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	0171843076100	SIKET PROMOTION PLC		Account No.	0171843076200	<ul style="list-style-type: none"> United Bank, Wollo Sefer Branch <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>1161810704467018</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>1161810704567012</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	1161810704467018	SIKET PROMOTION PLC		Account No.	1161810704567012
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<ul style="list-style-type: none"> Dashen Bank, Bole Area Bank <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>0012872988001</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>0012872987001</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	0012872988001	SIKET PROMOTION PLC		Account No.	0012872987001	<ul style="list-style-type: none"> NIB International Bank, Wollo Sefer Branch <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>147</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>146</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	147	SIKET PROMOTION PLC		Account No.	146
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<ul style="list-style-type: none"> Oromiya International Bank, Bole Branch <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>175</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>174</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	175	SIKET PROMOTION PLC		Account No.	174	<ul style="list-style-type: none"> Awash International Bank, Bole Branch <table border="1"> <tr><td colspan="2">DALOL OIL S.C</td></tr> <tr><td>Blocked Account No.</td><td>554866</td></tr> <tr><td colspan="2">SIKET PROMOTION PLC</td></tr> <tr><td>Account No.</td><td>3450</td></tr> </table>	DALOL OIL S.C		Blocked Account No.	554866	SIKET PROMOTION PLC		Account No.	3450
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Account No.	3450																



Individual/Corporate Application Form

Name/Company Name _____
Address: Town/Zone _____ Sub-city _____ Kebele _____
House No. _____ P.O.Box _____
Telephone: Office _____ Home _____ Mobile _____
Fax _____ E-mail _____ Nationality _____

I/We hereby apply for buying Dalol Oil Share Company's ordinary shares with the following conditions:

I/We hereby agree to subscribe for _____ / _____ /
ordinary shares with a par value of Birr 1,000 (One thousand) amounting in total Birr
_____ / _____.

When this agreement is signed

1. I/We shall deposit full payment of Birr _____ / _____
or (_____) % Birr _____ / _____ / in the blocked
account of Dalol Oil Share Company opened for this purpose.

2. I/We agree to pay the second payment (_____) % Birr _____ / _____
_____ by date _____ and

3. The remaining (_____) % Birr _____ / _____
by date _____.

Payment of Service Charge

7% (Seven Percent) service charge per share subscribed shall be applied to cover various sales and administrative expenses.

Service charge shall be paid out in full upon subscription and deposited to the account of Siket Promotion PLC.

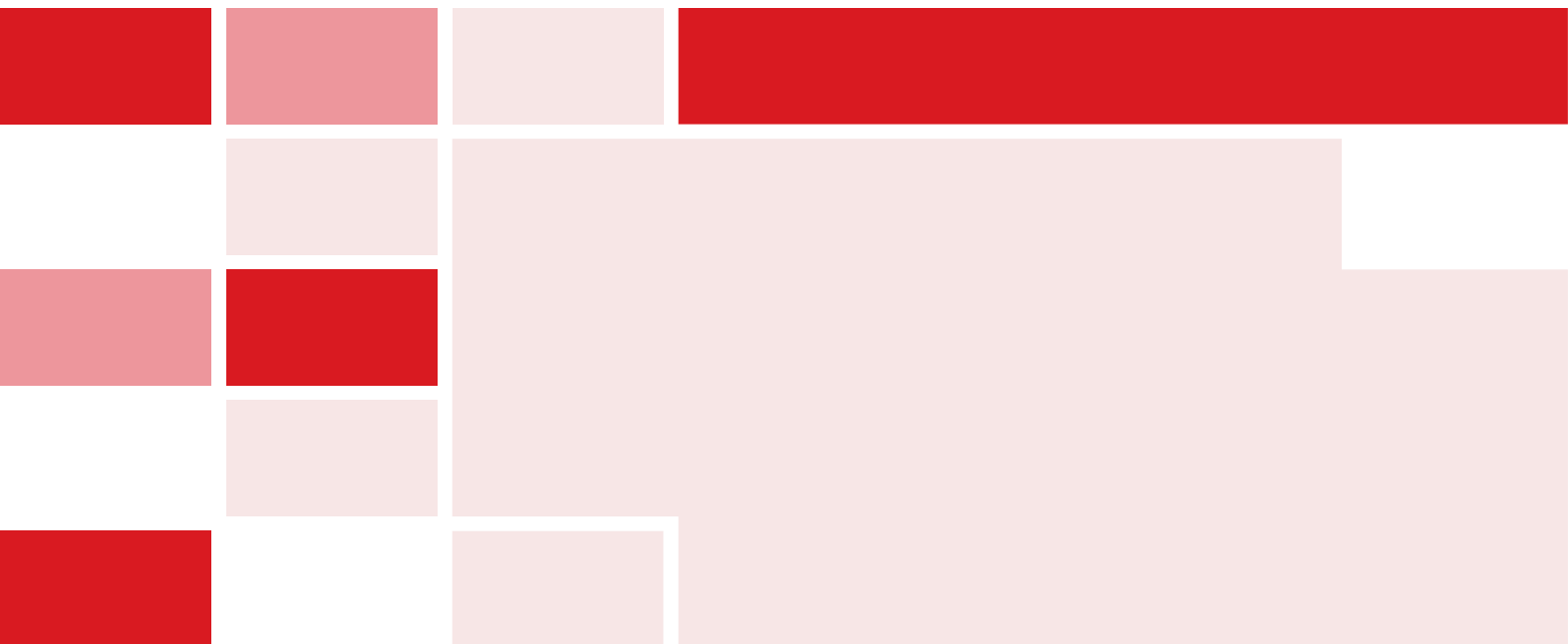
Service Charge Amount: Quantity of shares _____ x Birr 70.00 = _____ /

I/We hereby declare that I/we have read and understood the prospectus and irrevocably agree to the terms and conditions stated by Dalol Oil S.C. promoters for share subscription.

Date _____

Name and Signature of Investor _____

Name and Signature of Sales Agent _____



Address

Dalol Oil Share Company
P.O.Box 11937
Ethio-China Friendship Street (Wollo Sefer)
New Building next to Medco Bio Medical College, 2nd Floor
Addis Ababa, Ethiopia
Tel -251 114 163838, 251 114 165757
251 114 161732, 251 114 161733
Fax -251 114 164002
Email – Info@daloloil.com
Website – www.daloloil.com

