

The Dalmeny Oil Company (Limited)

Capital £27,000 in 2700 shares of £10 each.

Payable £2 per Share on application: £4 on Allotment: and the remainder in future call: not sooner than three months after the formation of the Company/

Directors

George Gray, Esq., Coal and Lime Merchant, Levensseat

George Roberts, Esq., Builder, Edinburgh

John Kerr, Esq., Farmer, Bloom, Mid-Calder

George Gardiner, Esq., Carrington Deans, Lasswade

Bankers

The British Lines Company, Edinburgh, Glasgow and Branches

Solicitors

Messrs Hill, Reid & Drummond, W. S., Edinburgh

Sharebrokers

Messrs Mitchell, Watson & Wine, National Bank Buildings, Glasgow

This company is being formed for the purposed of acquiring the Dalmeny Shale and Oil Works near Queensferry, with the lease of the shale and other minerals in part of the Dalmeny Estate of the Earl of Rosebery. The mineral field is intersected by the Queensferry Branch of the North British Railway Company, and the works are connected with that branch by a short line of private railway. The extent and contents of the mineral field have been amply proved by mineral workings and by boring. The mining machinery has been completed so as to admit of an output of 300 tons of shale per day, and, by a little further expenditure, this can be easily increased. The Oil Works were erected within the last eighteen months having been gradually extended during that time as the commercial value of the undertaking was proved. They contain 33 upright and 44 horizontal retorts, with relative machinery and plant. The works use 53[?] tons of shale per day, producing 32 ½ gallons per ton in vertical retorts, and 27 ½ gallons per ton in horizontal retorts. A relatively small proportion of additional expense will increase the Oil Works so as to use the output available from the mining plant. The seams of shale are of much greater thickness than usual in the other shale fields in Scotland, and the oil is noted in the market for its excellent quality. The report by Mr John R. Williamson, M. E., Edinburgh (?? to the prospectus), contains a description of the field and works.

The lease of the mineral field is for thirty-one years from Martinmas 1871, with breaks in favour of the tenants every third year. The rent is £1000 of fixed rent, or, in the Landlord's option, a royalty of 1s per 22 ½ cwt. of shale, and moderate lordships[?] on other minerals if these be worked. The conditions of the lease may be seen in the hands of the Solicitors.

The capital proposed is £27,000. Of this, there is required for the purchase of the works £16,000, part of which is to be paid by Shares of the Company. The plant to be conveyed to the Company includes the whole plant on the ground, including what formerly belonged to the Landlord as well as to the recent tenants, the present owners having taken over the whole of the Landlord's plant as well as the interest of their former copartners in the undertaking. There is also a number of excellent workmen's houses, and a manager's house, belonging to the works. Of the remaining capital, part is intended for an immediate extension of the Oil Work, and for future extension and floating capital.

An expenditure of £7000 to £8000 on retorts would increase the manufacture to 200 tons of shale

per day, making an annual production of over 1,650,000 gallons of oil. A profit of 1d per gallon on this would give £6875 a year. The profits from the sulphate of ammonia manufactured from this quantity of shale may be estimated at £1500. This would give a very remunerative return to Shareholder, ever after providing an ample reserve fund for commercial contingencies.

The estimated cost of production of the oil is 3 ½d. per gallon for horizontal or light oil, and 3 ½d. per gallon for vertical or heavy oil, including repairs, but not depreciation on plant. The actual cost in the fourteen weeks ending 6th September 1871 (during which the present works were in full operational) averaged 3.257 pence per gallon for both classes of oil, conform to a report by Messrs Lindsay, Jamieson, and Haldane, C. A., Edinburgh. The actual cost of working the shale during that time was 3s 4.037d. per ton.

From inquiries made of large dealers in crude oils, it appears that the price of light oil (860" gravity) averaged over the last three years fully 5d. per gallon (5 ½d. to 5 ¾d.), delivered at the place of manufacture. Even though this average be not maintained to future and making full allowance for general expenses and contingencies, it is believed that the present undertaking must prove a success.

It is intended to provide that not dividend in excess of 15 percent, per annum be declared till a Reserve Fund be accumulated. This fund may be applied as the Company resolve.

The incorporation of the Company will admit of their extending their operations to other fields if the Company so resolve. A copy of the Memorandum of Association is annexed to the Prospectus. The only agreement entered into on behalf of the Company is an agreement dated 27th September 1871, between Alexander Archibald Glendinning and George Peter Glendinning, Leuchold, Dalmeny Park, Edinburgh, of the first part, and George Gray, Coal and Lime Master, Leavenseat, as on behalf of the intended Company, on the other part. This deed is in the hands of the Solicitors.

Applications for Shares may be addressed to Messrs Hill, Reid, & Drummond, W. S., Edinburgh: Messrs Mitchell, Watson & Wine, C. A., Glasgow: or to Mr George P. Glendinning, Dalmeny Oil Works, Dalmeny.

Except from the Report on the Dalmeny Shale Field by John R. Williamson, Esq., M. E. (Annexed to the Prospectus)

In conclusion, I am of opinion that the field is a very valuable one, and I see no reason why, with a fair [??] state of the oil trade, the concern should not turn out a very remunerative one.

John R. Williamson, M. E.