To the Shareholders:

The net earnings of The Pure Oil Company for 1946 were $17,107,961 equal after preferred dividends to $3.74 per common share. This compares with earnings of $13,581,770 in 1945, equal to $2.64 per common share. $9,919,433 was added to earned surplus. Total dividends paid amounted to $7,188,528 of which $2,212,170 was applicable to the 5% preferred stock and $4,976,358 to the common stock. The volume of business was the largest in the history of the Company. The net current assets on December 31, 1946 amounted to $52,038,916. The excess amount of the latter represents an accumulation of funds in preparation for the construction program which is still delayed by general post-war conditions.

GENERAL POLICIES

The background against which The Pure Oil Company operated during the year 1946 was confused and difficult of analysis. There are, however, certain very definite principles which have emerged from the chaotic conditions that afford a basis for future policies. There have been times when it was possible to plan future operations for a long period with a reasonable degree of consistency. At the present, however, rigid future commitments are dangerous in the existing world unsettlement.
It seems appropriate that comments should be made at this time attempting to outline such policies as may be reasonably adhered to both in the present emergency and in the changing conditions which may occur.

In the last few years, the administration of the Government of the United States has frequently attempted to establish long-term policies with a degree of rigidity which has made it difficult for either industry or the Government to respond to changing conditions and unforeseen demands. Assumptions were made when future policies were inaugurated which at the time seemed reasonable, only later to be proved false. Consequently, new policies were often established that were contradictory to others which were still in effect, and the result was confusion and chaos, which has complicated the task of reconversion which industry is obliged to carry on. In certain fundamentals, recent events have indicated, however, that so far as the Government is concerned, more consistent and constructive policies may be hoped for and business plans more confidently undertaken.

In the year 1946, thirty government authorities were engaged in performing functions which more or less directly affected the operation of the oil industry in all of its phases. The policies and the practices of these authorities were, in many cases, inconsistent one with another, and there was at times apparent hostility as between various governmental departments.

Secretary of the Interior Department Krug has undertaken coordination of these governmental instrumentalities, and a Director of an Oil and Gas Division has been appointed for this purpose together with a council of eighty-five representatives of the oil industry called the National Petroleum Council. The desirability of such a reorganization seemed apparent, and the plan was received favorably by the oil industry.

In 1933, during the days of the N. R. A., a similar council was appointed by the Secretary of the Interior, which cooperated sincerely and successfully with the
government authorities. It is the general belief in the industry that the suits brought against the oil industry by the Department of Justice in 1936 would not have been instituted except for the fact that the industry conscientiously attempted to put into effect policies which were approved and perhaps originated by the Secretary of the Interior. That, in effect, because the industry did what one department of the Government urged and approved, they were subjected to criminal prosecution by another department. Having in mind this past history and present attitudes, the members of the newly appointed council and the industry generally feel that it is necessary to proceed with extreme caution, even though they accept Secretary Krug’s expressions as indicating a cooperative and sound governmental policy. In order to clarify this situation, Secretary Krug solicited opinions of the Justice Department and an expression of policy on their part. As a result of the expressions of the Justice Department, the opinion of the private attorneys of the industry seems, in a sentence, to be that while there is nothing illegal in the organization of such a council, appointed and sponsored by the Secretary of the Interior, the work of the council will be subjected to scrutiny so critical and unfriendly as to constitute an ever present threat of attack upon the council members by the Attorney General. Such a viewpoint is probably an extreme one and does not take into account the benefits which always accrue from contacts between those who have mutual problems. In any event, this effort of Secretary Krug is a hopeful indication of more constructive policies.

However difficult conditions may be, those who carry on corporate activities have not only the conventional responsibility of a trustee to preserve the principal amount entrusted to them, but to see that it is actively employed. It is not simply a negative responsibility but a positive and creative one, and it must be carried on in good times and bad regardless of Government attitudes.

There are a certain few basic principles which must be observed and to which, from day to day, activities be adjusted under any and all conditions. To observe these and keep the flexibility that is necessary to meet future developments is the
function of every business executive today. In the petroleum industry, the maintenance of adequate reserves of crude oil is the first and continuing responsibility.

Much discussion and great scientific thought has been concentrated upon the relationship between the potential reserves of the United States and its petroleum requirements. There is nothing that is more vivid in the memory of those who have been connected with the industry over the years than recurring cycles of almost hysterical excitement over at times an oil shortage and again devastating overproduction. Some twenty years ago a committee of the industry estimated the proven reserves of the United States as approximating five billion barrels. Since that time, twenty-three billion barrels of oil have been produced, and as of January 1, 1946 we still had an estimated proven reserve of over twenty billion barrels. The physical and mental dislocations growing out of the last world war have produced recently quite as extravagant statements of the situation as were ever made in the past. Doubtless, the thinking of many in both governmental and industrial circles on this, as well as other matters, has been radically influenced by the prevalent change in popular attitudes from an emphasis upon national self-sufficiency to one upon spherical dependency, and the matter of our domestic reserves and requirements has become more complicated on this account.

Last year, the Department of State, in cooperation with certain eminent members of the oil industry, negotiated a treaty with Great Britain which defines and agrees to certain principles in the relationship between the two governments as applied to petroleum. There has been much discussion of this treaty, which has not yet been approved by the United States Senate. It has been endorsed by most of the more important oil trade organizations who have cautioned against commitments which might lead to the national regulation of the American oil industry or to the waiving of any American rights. It seems to be the general feeling that while this agreement is to the mutual benefit of the two countries, it does not impinge on the rights of others and that such a treaty will be a protection to the industry against any action on the part of the United Nations Council, either as
a result of a lack of knowledge of the petroleum industry or the politics which are always inherent in any international organization.

Oil is valuable only as it is available, and this involves adjustments which can be met by no hasty formulas and should not be left to the political determination of any world body which has as yet failed to agree on the ways and means of executing high ambitions and loosely defined principles.

As a national policy, it would seem very unwise to import such quantities of foreign oil as would depress oil prices in the United States so much that the incentive to make new domestic discoveries would be impaired or destroyed. In time of war, oil in the Mediterranean Basin or in South America is not likely to be available for national defense. While, therefore, importations of oil are to be expected, it should be an obvious national policy that this should not be encouraged to such an extent as will interfere with the development of new territory within the United States.

The policy of The Pure Oil Company under present disturbed conditions has been to confine its drilling almost entirely to the continental United States, and it has been possible to secure sufficient promising territory to justify carrying on a heavy exploratory program. This program entails higher expenditures and deeper drilling than has been the case in past years, but that is not a consideration from which it would be relieved if it were to operate in foreign territory. Deeper drilling and higher labor and material costs must necessarily involve greater expense and consequently will necessitate higher prices.

If the industry is to prosper and to render the public service, which is its responsibility, it must, in its conversion of crude to finished products, keep constantly in the forefront with new scientific developments. It has every year improved the quality and variety of its products until an operation which was once concerned almost entirely with the production of lubricants and fuels has now become a source of an infinite variety of chemical bases for the uses of industry, commerce, the arts and medicine. No branch of American industry has been more alert and courageous, both in the discovery and development of new products and in their application.
A basic "must" in good times and bad is the constant development and extension of the activities of petroleum refining.

It is an obvious necessity that the transportation facilities of the oil industry should be maintained at the highest possible condition of efficiency. This involves maintenance and development of pipe line, railway, steamship, river and truck deliveries. This is necessary to meet constantly changing conditions and under even the most favorable conditions represents a very large proportion of the cost of oil products.

**PRODUCTION**

The total gross amount of crude oil produced by the Company during the year 1946 was 32,000,000 barrels which was equal to the average for the last five years. This compares with 33,489,000 barrels in 1945. Of this amount, 27,900,000 barrels represents the net production which accrued to the Company after royalty deductions. This compares with 29,212,000 barrels in 1945 and a five-year average of 27,925,000 barrels.

The operation of the properties upon which the Company had established crude oil production was highly satisfactory. The amount of production from the Van field was regulated by the Railroad Commission of the State of Texas and does not indicate its potential production. The results in the Cumberland field in southern Oklahoma were particularly gratifying and have confirmed the highest hope of the Company in its large reserves.

The discovery well in the Company's Illinois properties was completed about ten years ago. Since that time, it has produced from this field approximately 90,000,000 barrels of oil. During this period, the highest average daily production in one month was in 1941 and was 36,000 barrels. In view of this large withdrawal, it is remarkable that the average daily production during the month of January, 1947 should have been at the high figure of 23,000 barrels per day. In
order to produce these highly satisfactory results, it was necessary to carry on a substantial development program which has proved very gratifying.

Reference has already been made to the fact that the Company has concentrated upon exploratory operations within the continental United States. It has a very large acreage of leases within the Rocky Mountain states, particularly Wyoming, where it is now developing a property which has every indication of being commercially productive and with the possibility of being an important acquisition.

The expenditures for exploratory development have been large this year and, while the prospects acquired seem very promising, the results will manifest themselves only as a long-term drilling campaign is carried out.

MARKETING

The earnings of the Marketing Division of the Company were highly satisfactory and greater than at any time in its history, notwithstanding the increased expenditures for labor and most of the factors which enter into operating costs. This satisfactory result can be attributed principally to the fact that the Company marketed a larger volume of gasoline through approximately the same number of outlets as had been used in marketing a lesser amount to its regular customers in previous years. The improved results are not to any appreciable extent due to higher prices.

The margin of profit in the marketing of gasoline is very narrow and can be realized only by the practice of utmost economy. The department has accomplished this with increased success this year, but the most important element in the better results is that the volume sold through individual outlets was increased and the unit cost of investment, overhead operations, etc. was thereby materially decreased.

Destructive competition in the marketing of gasoline has in past years resulted in a multiplication of facilities which decreased profits and had the ultimate effect
of increasing costs and overhead to such an extent as to necessitate higher prices to the public than would otherwise have been required.

The shortage of material and labor during the war made it impossible for the marketing section of the petroleum industry to indulge in as excessive service station construction as had formerly been the case. This bad practice was actually reaching the point where, instead of being a service to the public and a convenience, it was becoming a nuisance. Greater restraint in this respect is probably the result of necessity rather than due to any virtue or intelligence on the part of the industry. It is to be hoped that with the improvement of building conditions these excesses may not be again indulged in.

It has been and will continue to be the policy of the Company to confine its activities to the natural geographical areas which afford economical transportation from its refineries and terminals, but it is anticipated that the expenditures for service stations will be confined to those areas which offer unusual economies of distribution, and the prime effort will continue to be to secure the largest volume possible for the individual station. Because of inability to secure materials during the war and since that time, it will be necessary to make substantial expenditures on rehabilitation and deferred maintenance of service stations and such relatively minor additions as will promote efficiency.

The total sales of gasoline during the year were about the same as the previous year. The sale of gasoline to its regular domestic customers by retail units increased a matter of 25%. The Company's available resources, it will be seen from this, have been diverted from the less profitable products largely required for war uses to the normal domestic markets.

The volume of the Company's business in merchandising has increased during the year and has proved profitable. A very large percentage of these mercantile sales is attributable to tires, batteries and those accessories which are collateral to the marketing of oil and its products. The sale of these commodities is a convenience
and a service to the public and to an increasing degree is becoming important to the success of this department of the business.

The Company is conducting a very extensive course of instruction for the operators of service stations and salesmen generally. This has been of great help to those who have participated, but the chief benefits which result can only be secured through the constant follow-up of this teaching by the field representatives.

REFINING

The amount of crude oil put through the Company's refineries in 1946 was approximately the same as in 1945,—this notwithstanding some unusual operating difficulties, the chief of which were strikes. Although the total output of our refineries was nearly the same as last year, the output of one refinery was very materially less, due to labor troubles. This is a matter which is, of course, exceedingly regrettable, both from the standpoint of the employees and of the Company. The losses occasioned by this interruption in this particular refinery were probably shared about equally by the workers and the Company. We attribute this unfortunate episode to the activities of a very small minority and are appreciative of the intelligent self-interest, as well as the loyalty, of the great majority.

The ability to maintain our production under adverse conditions is primarily due to the successful operation of the new equipment which has been put into use at most of the refineries during the year and general technological advances. It would be unreasonable to assume, however, that technological advances can be continued indefinitely to make up for the lost time and decreased efficiency that is created as a result of labor troubles. This is such an obvious situation that it may be assumed that it will be recognized by all of the interests involved.

The past few years have shown surprising advances in the processing of crude oil and the application of its products. In order to take advantage of them, however, very extensive investments in new equipment are required and constant
progress in engineering and chemical research. The extensive refinery construction program has, so far as those units which have been put into operation are concerned, been more than satisfactory and the results fully up to expectations at the time they were undertaken. Perhaps the single largest element in the improved results is due to the flexibility which has been accomplished by the newly constructed units, which are able to produce a greater variety and higher quality of products from the same raw material. This makes it possible to produce larger quantities of those materials for which there is from time to time special need. The list of new uses to which the products of petroleum have been adapted is very large and constantly increasing. Probably the most important category to which this applies could be covered by the general term "chemicals,"—both those old ones which are the stable requirements of industry, as well as entirely new and different ones that have resulted from recent research.

The construction program is proceeding at a slower pace than had been hoped. The reasons for this are, of course, applicable to all types of heavy industrial demands and can be accounted for in the shortage of material and labor. Every effort is being concentrated on finishing construction and putting into operation the extensive refinery additions which are necessary to completely round out the program.

It has not yet been possible to proceed with the construction of the extensive research laboratory that the Company has in contemplation, but the land has been purchased, and it is hoped that it will be well under way within the next year.

TRANSPORTATION

One of the most important developments in the oil business over the last ten years, and particularly over the last few years, has been brought about by the construction of many large product pipe lines and by the building of ocean tankers whose size and draught have required a revamping of ocean terminals.
Since 1936, the Company has put into operation thirty-two additional terminals and has substantially increased the capacity of others. The new units and increased capacity is shown by the following comparative:

The Company owned in 1936 two pipe line terminals with a total capacity of 71,000 barrels; in 1946 it owned and operated eighteen pipe line terminals with a total capacity of 552,000 barrels. In 1936 it had eight ocean terminals with a capacity of 1,242,500 barrels; in 1946, eleven terminals with a capacity of 2,466,000 barrels. In 1936, nine river terminals with a capacity of 122,000 barrels; and in 1946, eighteen river terminals with a capacity of 734,000 barrels. In 1936, it had two lake terminals with a capacity of 459,000 barrels; and in 1946, six lake terminals with a capacity of 1,213,000 barrels. As a result of this development, the Company is not only able to reach nearly its entire marketing area with refined products, either through water or pipe line transportation, but the resultant savings in freight have added greatly to the earning capacity of the Company and have enabled us to maintain a favorable, competitive position in the industry and to serve the public at the lowest possible prices.

No major additions or changes further than these terminal adjustments were required in our transportation system during the last year.

SUMMARY

It would be unwise to accept any dogmatic opinions as to general business prospects in 1947 whether they emanated from eminent economists, financiers or statesmen. However, it would not be too hazardous to say that indications are for a good demand for petroleum products, and The Pure Oil Company is in position, because of its properties and resources, to meet conditions as they may arise with the flexibility which is necessary for proper adjustments.

By Order of the Board of Directors,

Henry M. Dawes, President.
## ASSETS

### CURRENT ASSETS:
- Cash ............................................................... $19,524,945
- U. S. Government securities, at cost .................. 6,980,844
- Accounts and notes receivable, less reserve of $412,063 13,483,792

### Inventories—
- Crude oil, refined oils and merchandise (Note 1) $23,039,327
- Materials and supplies, at latest cost less allowance for condition 7,201,904

### INVESTMENTS, ADVANCES, ETC.:
- Investments in and advances to subsidiaries not consolidated, at cost $8,204,134
- Investments in securities of other companies ................ 3,604,346
- Fund for replacement of equipment (cash and U. S. Government securities) 935,231
- Deferred receivables, etc., less reserve of $715,198 773,868

### PROPERTY, PLANT AND EQUIPMENT (Note 2):

<table>
<thead>
<tr>
<th>Classification</th>
<th>Gross</th>
<th>Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producing</td>
<td>163,251,310</td>
<td>79,739,270</td>
</tr>
<tr>
<td>Transportation</td>
<td>19,630,208</td>
<td>11,057,963</td>
</tr>
<tr>
<td>Refining</td>
<td>52,503,990</td>
<td>33,404,903</td>
</tr>
<tr>
<td>Marketing</td>
<td>44,863,100</td>
<td>20,256,610</td>
</tr>
<tr>
<td>Other</td>
<td>1,857,725</td>
<td>975,876</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>282,166,333</td>
<td>145,234,682</td>
</tr>
</tbody>
</table>

### PREPAID AND DEFERRED CHARGES
- 2,088,327

### CONTRACTS, RIGHTS, PATENTS, TRADE-MARKS, ETC.
- 1

The attached notes are an integr
LIABILITIES

CURRENT LIABILITIES:

Serial notes due within one year. ............ $ 1,225,000
Accounts payable, etc. ........................ 13,989,729
Dividend payable January 1, 1947 .................. 555,043
Accrued liabilities ............................... 2,423,724
Provision for Federal income taxes ........... $ 6,332,854
Less—U. S. Treasury tax notes ......... 6,332,854 — $ 18,191,496

LONG-TERM DEBT:

Serial notes (original issue $31,000,000, dated July 31, 1945, interest 1.50% to 2.95%) due 1948 to 1965 ....................... $28,575,000
Deferred purchase obligations, etc. ............... 2,489,611 31,064,611

RESERVES:

For replacement of equipment. ................. $ 812,946
For contingencies, including possible additional income taxes for prior years .................. 3,900,000 4,712,946

MINORITY INTERESTS IN CAPITAL STOCK AND SURPLUS OF SUBSIDIARIES .......................... 2,721,689

CAPITAL STOCK AND SURPLUS:

Capital stock—
Cumulative preferred—authorized 1,000,000 shares, par value $100; 442,434 5% shares outstanding (Note 3) .................. $44,243,400
Common—authorized 10,000,000 shares, no par value (Note 3)—3,982,031 shares outstanding, assigned value $10 per share ...... 39,820,310 $84,063,710

Surplus—
Paid-in surplus (no change during year) .......... $19,038,823
Earned surplus since April 1, 1932 (summary attached) (Note 7) ........... 62,974,695 82,013,518 166,077,228

$222,767,970

of the above statement.
## INCOME ACCOUNT

**Gross Operating Income**.................................................. $178,888,074

**Costs and Expenses:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs, operating, selling and general expenses</td>
<td>$139,674,346</td>
</tr>
<tr>
<td>Provision for depreciation and depletion (including lease bonuses paid) (Note 6)</td>
<td>13,921,487</td>
</tr>
<tr>
<td>Taxes (other than Federal taxes on income)</td>
<td>4,402,117</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>$ 20,890,124</td>
</tr>
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</table>

**Other Income:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$ 1,180,925</td>
</tr>
<tr>
<td>Interest and discount earned</td>
<td>793,536</td>
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<tr>
<td>Profit on disposition of capital assets, etc. (net)</td>
<td>1,164,687</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 23,939,272</td>
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</table>

**Other Deductions:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on serial notes, purchase obligations, etc.</td>
<td>$ 859,266</td>
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<tr>
<td>Cash discounts allowed</td>
<td>513,655</td>
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<tr>
<td>Provision for contingencies</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Income before Federal taxes on income, etc.</strong></td>
<td>$ 22,066,351</td>
</tr>
</tbody>
</table>

**Provision for Federal Taxes on Income........................................** 4,432,184

**Income before provision for minority interests**.                      $ 17,634,167

**Income Applicable to Minority Interests**.................................. 526,206

**Net income for the year**..................................................... $ 17,107,961

The attached notes are an integral part of the above statement.
EARNED SURPLUS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance—December 31, 1945</td>
<td>$53,055,262</td>
</tr>
<tr>
<td>Add—Net income for the year</td>
<td>17,107,961</td>
</tr>
<tr>
<td>DEDUCT:</td>
<td>$70,163,223</td>
</tr>
<tr>
<td>Cash dividends declared on—</td>
<td></td>
</tr>
<tr>
<td>Preferred shares</td>
<td>$2,212,170</td>
</tr>
<tr>
<td>Common shares</td>
<td>4,976,358</td>
</tr>
<tr>
<td>Balance—December 31, 1946 (Note 7)</td>
<td>$62,974,605</td>
</tr>
</tbody>
</table>

The attached notes are an integral part of the above statement.

AUDITORS' CERTIFICATE

To the Board of Directors and Shareholders,
The Pure Oil Company:

We have examined the consolidated balance sheet of The Pure Oil Company (an Ohio corporation) and its subsidiaries as of December 31, 1946, and the consolidated statements of income and surplus for the year then ended, have reviewed the systems of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statements of income and surplus present fairly the position of The Pure Oil Company and subsidiaries at December 31, 1946, and the results of their operations for the year, and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co.

Chicago, Illinois,
February 24, 1947.
THE PURE OIL COMPANY AND SUBSIDIARIES

Notes Relating to and Made a Part of the Consolidated Financial Statements

For the Year Ended December 31, 1946

NOTES:

(1) Inventories of crude and refined oils are priced at cost, on the "last-in first-out" method, which in the aggregate is below market. Merchandise other than refined oils is stated at the lower of cost (first-in first-out) or market.

(2) As at April 1, 1932, the net ledger amount of the parent company's properties was reduced (either directly or through the reserves for depreciation and depletion) to reflect fair value as determined in an appraisal as of that date by company executives under authority of the board of directors. Subsequent additions and the properties of subsidiaries are included at cost, and subsequent retirements and provisions for depreciation and depletion have been made on the basis of appraisal or cost values.

(3) The 5% cumulative convertible preferred shares may be exchanged, at the option of the holders thereof, for common shares on the basis of 3½ shares of common for each share of preferred through October 1, 1947 when the conversion privilege terminates. At December 31, 1946, 1,474,780 common shares were reserved for such conversion.

(4) The company filed the required data for 1942, 1943, 1944 and 1945 under the Federal statute authorizing renegotiation of contracts and has been advised that no excessive profits were realized for 1942, 1943 and 1944. The management believes that renegotiation for the year 1945 will disclose that no excessive profits were realized.

(5) The companies have various law suits pending against them, some of which are for large amounts; however, general Counsel of the company have reported that, while it is impossible to ascertain the ultimate liability in respect of such litigation as of December 31, 1946, it is their opinion that the aggregate amount thereof will not be materially important in relation to the total assets of the companies.

(6) Since January 1, 1934, the company has provided for depletion and depreciation of producing properties by applying to the total barrels produced an "over-all" rate (per barrel) determined by dividing the total amount of producing properties subject to depletion and depreciation by the net oil reserves (in barrels) estimated by the company's production engineers.

(7) So long as any of the serial notes are outstanding the company, without the consent of the holders of at least 75% of the principal amount then outstanding, may not pay any dividends on its common or preferred shares which will reduce consolidated earned surplus to less than $40,000,000 and $35,000,000, respectively.

The audit certificate of Arthur Andersen & Co. appears herewith and it is the intention of the Directors to continue the services of these accountants for the year 1947.
# THE PURE OIL COMPANY

## GENERAL OFFICES, CHICAGO

### OFFICERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. G. Dawes</td>
<td>Chairman of the Board</td>
<td>Columbus, Ohio</td>
</tr>
<tr>
<td>Henry M. Dawes</td>
<td>President</td>
<td>Chicago</td>
</tr>
<tr>
<td>R. W. McIlvain</td>
<td>Vice-President</td>
<td>Chicago</td>
</tr>
<tr>
<td>C. B. Watson</td>
<td>Vice-President</td>
<td>Chicago</td>
</tr>
<tr>
<td>N. H. Weber</td>
<td>Vice-President</td>
<td>Chicago</td>
</tr>
<tr>
<td>Rawleigh Warner</td>
<td>Vice-President and Treasurer</td>
<td>Chicago</td>
</tr>
<tr>
<td>L. S. Wescoat</td>
<td>Vice-President and Secretary</td>
<td>Chicago</td>
</tr>
<tr>
<td>C. H. Jay</td>
<td>Asst. Secretary and Treasurer</td>
<td>Chicago</td>
</tr>
<tr>
<td>R. L. Milligan</td>
<td>Asst. Secretary and Treasurer</td>
<td>Chicago</td>
</tr>
<tr>
<td>W. V. Keeley</td>
<td>Asst. Secretary and Treasurer</td>
<td>Chicago</td>
</tr>
<tr>
<td>Curtis Dawes</td>
<td>Asst. Secretary and Treasurer</td>
<td>Chicago</td>
</tr>
<tr>
<td>J. H. Botkin</td>
<td>Comptroller</td>
<td>Chicago</td>
</tr>
</tbody>
</table>

### DIRECTORS

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lester Armour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewell L. Avery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip R. Clarke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. G. Dawes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henry M. Dawes</td>
<td>J. A. Elkins</td>
<td>J. W. McIntosh</td>
</tr>
<tr>
<td>J. H. McCoy</td>
<td>R. W. McIlvain</td>
<td>J. E. Otis</td>
</tr>
<tr>
<td>L. S. Wescoat</td>
<td>Rawleigh Warner</td>
<td>C. B. Watson</td>
</tr>
</tbody>
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### TRANSFER AGENTS

GUARANTY TRUST COMPANY OF NEW YORK, New York
The City National Bank and Trust Co., Columbus, Ohio
P. G. Miller, Pure Oil Building, Chicago

### REGISTRARS

CENTRAL HANOVER BANK AND TRUST CO., New York
The Ohio National Bank of Columbus, Columbus, Ohio
City National Bank and Trust Company of Chicago, Chicago

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NOTICE OF THE 1947 ANNUAL MEETING OF SHAREHOLDERS, REQUEST FOR PROXY, PROXY STATEMENT AND PROXY WILL BE MAILED TO SHAREHOLDERS ON OR ABOUT MARCH 11, 1947.

The accompanying report and financial statements are submitted for the general information of the shareholders of The Pure Oil Company, and are not intended for use in connection with any sale or purchase of, or offer or solicitation of offers to buy or sell any shares or securities of this company.