

DekelOil Public Limited / Index: AIM / Epic: DKL / Sector: Food Producers
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DekelOil Public Limited ('DekelOil' or 'the Company')
Shipment of Kernel Crushing Plant

DekelOil Public Limited, operator and 51% owner of the vertically integrated Ayenouan palm oil project in Côte d'Ivoire, is pleased to announce that the equipment and components required to construct the Kernel Crushing Plant ('KCP') left Malaysia on 13 May 2015 and is due to arrive at Abidjan port, Côte d'Ivoire, within 8 weeks. Modipalm Engineering SDN BHD ('Modipalm'), a leading Malaysian engineering company, is constructing the KCP under a turnkey contract.

The KCP is fully funded and remains on track to be operational in Q4 2015, at which point Modipalm will hand-over the KCP to the Company. Constructing a state of the art KCP is a key part of the Company's strategy to maximise profitability at the Ayenouan project. This strategy will be delivered in tandem with increasing production of Crude Palm Oil ('CPO') at the 60t/hr CPO Mill, which is one of West Africa's largest, and also further planting of company-owned estates. Based on a maximum total capex requirement of €1.1m, the KCP has an attractive investment return profile and is expected to materially increase profitability at Ayenouan by allowing both palm kernel oil and animal feed to be sold in the local market at the factory gate.

Under the terms of the turnkey contract, Modipalm assumes responsibility for the manufacture, transportation (excluding land transportation in Côte d'Ivoire and shipping insurance), installation and commissioning of the KCP. The KCP will operate at 60 t/day and has a capacity to produce palm kernel oil at a rate of 80t/day.

DekelOil Executive Director Lincoln Moore said, "Once operational the KCP will add another significant revenue stream to our producing Ayenouan project, so we are delighted to report that it remains on track to be commissioned later this year. As evidenced by our recent announcement that CPO production during the first four months of 2015 has already surpassed the total produced during the nine months of operations in 2014, our strategy to increase production towards the Mill's 70,000 tonnes per annum capacity is bearing fruit. Combined with the KCP, we are on course to transform our Ayenouan project into a profitable and cash generative asset, which will help fund the roll out of Guitry, our second vertically integrated palm oil project in the Ivory Coast. I look forward to providing further updates on our progress."

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Notes:

DekelOil Public Limited is a low cost producer of palm oil in West Africa, which it is focused on rapidly expanding. To this end, it has a 51% interest in one of the largest oil processing mills ('the Mill') based in Côte d'Ivoire, which has a capacity of 70,000 tons of Crude Palm Oil ('CPO'). Feedstock for the Mill comes from 27,000 hectares of mature palm oil plantations that have been secured under long term contracts with smallholders, however it also has nearly 1,900 hectares of its own plantations. Furthermore, it has a world-class nursery with a 1 million seedlings a year capacity.