

RNS Number : 2637U
Dekeloil Public Limited
23 October 2017

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

DekelOil Public Limited / Index: AIM / Epic: DKL / Sector: Food Producers

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DekelOil Public Limited ('DekelOil' or the 'Company')

25% increase in capacity at one of West Africa's largest palm oil mills

DekelOil Public Limited, operator and 100% owner of the profitable and vertically integrated Ayenouan palm oil project in Côte d'Ivoire, is pleased to announce plans to increase the capacity of its crude palm oil ('CPO') extraction mill ('the Mill'), which is one of West Africa's largest, by 25% to 75 tonnes per hour ('tph') from 60tph. This will allow the Company to maximise production during the peak harvesting season in Côte d'Ivoire, which typically runs from mid-February to early June.

The Mill's current 60tph capacity is made up of two lines each capable of processing 30 tph of fresh fruit bunches. As part of the planned upgrade, one of these lines is to be increased to 45tph to bring total capacity up to 75tph. This matches the Mill's total press capacity, which is comprised of five presses, each of which is capable of pressing 15 tonnes of sterilised fruits per hour.

The upgrade is therefore expected to increase the volumes of CPO produced at Ayenouan in the peak harvesting season. For example, in March and April 2017, the Mill produced approximately 6,500 tonnes and 5,000 tonnes of CPO respectively. Had it not been necessary to slow down the presses to prevent and deal with the previously announced bottlenecks in the kernel separation process, the Directors believe production during the month would have reached between 7,000 and 8,000 tonnes. Following the upgrade, the Mill will be able to produce up to 9,000 tonnes of CPO in a peak month. The Company expects that the overall capacity of the Mill will remain unchanged, but this adjustment is expected to enable the Company to significantly increase CPO production during the peak harvesting season.

The estimated cost of the upgrade, including installation, is less than €100,000. An order for the required equipment has been placed with PalmitEco Engineering Sdn Bhd (formerly Modipalm Engineering), the leading Malaysian engineering company which constructed the Mill. The work will be completed in time for the peak harvesting season in 2018 without any disruption to normal operations.

DekelOil Executive Director Lincoln Moore said, "Our knowledge and understanding of the operating conditions for the Mill continue to grow with each cycle we operate through. In terms of the risk/reward trade off, the investment case for this upgrade to the Mill's processing capacity is clear. We believe this non-disruptive, low cost upgrade will help avoid the bottlenecks that can arise when processing high volumes of fruit, and as a result it will materially increase peak production capacity. This will allow us to take full advantage of the peak harvesting season, thereby increasing production and revenues. Maximising cash flows at Ayenouan will help fund further expansion of the business as well as our progressive dividend policy, and I look forward to providing further updates on our progress."

**** ENDS ****

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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. Feedstock for the Mill comes from several co-operatives and thousands of 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.

**This information is provided by RNS
The company news service from the London Stock Exchange**

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