

RNS Number : 6646E
Dekeloil Public Limited
10 May 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
10 May 2017

DekelOil Public Limited ('DekelOil' or the 'Company')
Comment re. Press Speculation

The Board of DekelOil, the owner and operator and 100% owner of the profitable and vertically integrated Ayenouan palm oil project in Côte d'Ivoire ('Ayenouan' or the 'Project'), notes the recent speculation in the Norwegian press regarding its potential interest in acquiring Norpalm Ghana Limited ('Norpalm'), a subsidiary of Norpalm AS, a Norwegian company which owns a palm oil production company in Western Ghana.

The Board confirms that it is in discussions with both the board of Norpalm AS and certain Norpalm AS shareholders in relation to the potential acquisition of all or the majority of the shares in Norpalm by DekelOil (the 'Potential Transaction'). Norpalm AS holds 68.6 per cent. of Norpalm.

Norpalm is a vertically integrated palm oil owner and operator with approximately 4,000 hectares of mature palm plantations under ownership. It is located in West Ghana, close to the border with the Ivory Coast. In addition, it operates a 30 tn/hr mill which also purchases fresh fruit bunches from local producers. In addition to the revenues it receives from approximately 15,000 tonnes of crude palm oil sold into the domestic Ghanaian market, it also operates a palm kernel oil press which produces approximately 2,000 tn of palm kernel oil in the Ghanaian market.

The Potential Transaction, if it were to proceed, would be classified as a substantial transaction for the purposes of the AIM Rules for Companies. Discussions are still ongoing and therefore there can be no guarantee that the Potential Transaction will proceed. The Directors intend that the Proposed Transaction would be financed from a combination of DekelOil's existing cash resources, new equity partners at project level and debt financing. Further announcements will be made in due course as appropriate.

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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 an 85.75% interest in one of the largest oil processing mills based in Côte d'Ivoire, which has a capacity of 70,000 tons of CPO. 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.