

RNS Number : 2785I
Dekeloil Public Limited
08 December 2015

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

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

Company Unlocks significant value with removal of €5.1m of debt

DekelOil Public Limited, operator and 51% owner of the vertically integrated Ayenouan palm oil project in Cote d'Ivoire (the "Project"), is pleased to announce that it has improved the Project's economics following an agreement with its joint venture partner, Biopalm Energy Ltd ("Biopalm"), which reduces the Company's debt position by €5.1m. An offset agreement has been signed between the Company and Biopalm, whereby a capital note totalling €5.1 million owed to Biopalm at the Project level, is to be cancelled.

Under the terms of the loan note, interest was payable by the Project at 10% per annum and ranked above that of future dividends to ordinary shareholders. In exchange for the cancellation of the loan note, DekelOil has agreed to waive Biopalm's outstanding equity contribution to the Project, which totals €1.1m and relates to the recent expansion of the Project with the now operating palm kernel crushing plant ("PKO"), and allows Biopalm to maintain its 49% interest in the joint venture.

This agreement has been reached as part of the Company's broader strategy to strengthen its balance sheet and reduce interest expense following a period of significant growth in profitability. This was highlighted in the recent half yearly report, which stated EBITDA for the six months ended 30 June 2015 totalled €2.3 million.

DekelOil Executive Director Lincoln Moore said, "The debt write off of €5.1m is very positive news and unlocks significant value for shareholders. This follows the successful ramp up of operations at Ayenouan in 2015, which for the nine months to 30 September 2015 saw 29,137 tonnes of CPO produced, more than double the total volumes achieved in 2014. With profits on an upwards trajectory, and the PKO plant now in operation, the Board will continue to take full advantage of the excellent progress made on the ground to date to further strengthen our balance sheet so that it more fully reflects DekelOil's status as a growing palm oil producer rather than a pure project development company."

**** ENDS ****

For further information please visit the Company's website www.dekeloil.com or contact:

DekelOil Public Limited +44 (0) 207 236 1177

Youval Rasin

Shai Kol

Lincoln Moore

Cantor Fitzgerald Europe (Nomad and Broker) +44 (0) 207 894 7000

Andrew Craig

Chris Viggor
Beaufort Securities Limited (Broker) +44 (0) 207 382 8300

Elliot Hance

Optiva Securities Limited (Broker) +44 (0) 203 137 1903

Christian Dennis

Jeremy King

St Brides Partners Ltd (Investor Relations) +44 (0) 207 236 1177

Elisabeth Cowell

Frank Buhagiar

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 based in Côte d'Ivoire, which has a capacity of 70,000 tons of 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.