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

DekelOil Public Limited ('DekelOil' or the 'Company')
Half Year Production Update

DekelOil Public Limited, the West African focused agricultural company, is pleased to provide a production update for its 100% owned profitable and vertically integrated Ayenouan palm oil project in Côte d'Ivoire (the 'Project') for the half year ended 30 June 2018.

	H1 2018	**H1 2017**	**Increase / Decrease**
Fresh Fruit Bunches ('FFB') collected (tonnes)	96,195	117,706	-18.3%
CPO production (tonnes)	22,242	26,947	-17.5%
CPO Sales (tonnes)	22,271	24,570	-9.4%
Average CPO price per tonne	549	707	-22.3%
Palm Kernel Oil ('PKO') production (tonnes)	1,793	1,648	8.8%
PKO Sales (tonnes)	1,480	1,322	12.0%
Average PKO price per tonne	893	1,015	12.0%
Palm Kernel Cake ('PKC') production (tonnes)	2,197	2,204	-0.3%
PKC Sales (tonnes)	2,304	2,229	3.4%
Average PKC price per tonne	50	51	-1.9%

Production

- Lower year on year volumes of FFBs harvested on the eastern side of Cote d'Ivoire where Ayenouan is situated resulted in 22,242 tonnes of CPO produced at the Company's mill during H1 2018 compared to 26,947 in H1 2017
    - Q1 2018: 13,605 tonnes of CPO produced compared to 2017's record Q1 performance of 16,398 tonnes
    - Q2 2018: 8,632 tonnes of CPO produced compared to Q2 2017 volumes of 10,549
- DekelOil's market share of FFB delivered to its mill as a proportion of total volumes harvested has remained stable
    - the Directors believe this demonstrates the Company's strong standing among the local smallholder community following increased competition for FFBs given lower amounts harvested

- Increase in H1 PKO production and stable Kernel Cake volumes compared to H1 2017
    - follows successful strategy to acquire external kernels to make use of lower mill utilisation
- Consistent CPO extraction rate to 23.1% in H1 2018 compared to 23.0% in H1 2017
- Year on year improvement in FFBs processed in early July 2018 are at this stage higher than compared to July 2017
    - The Board is hopeful this trend will continue for the remainder of Q3 2018 and beyond

Sales and Pricing

- 9.4% decrease in H1 CPO sales to 22,271 tonnes (H1 2017: 24,570 tonnes) reflects reduced volumes of FFBs harvested
- Further diversification of local customer base with commencement of CPO sales to Louis Dreyfus Holding B.V., a leading merchant and processor of agricultural goods, in March 2018
- CPO sales prices achieved lower due to weaker international benchmark pricing and the strong appreciation of the Euro against the USD (palm oil's benchmark currency)
- Lower year on year pricing and higher competition for FFBs due to lower volumes harvested have led to a contraction in H1 2018 gross margins
- Ongoing cost saving programme centred around logistics and plantation management focused on optimising performance
- Management looking to capitalise on the lower availability of CPO in the region as a result of the poor harvest to secure sales of CPO at a premium to international prices for the remainder of the year

DekelOil Executive Director Lincoln Moore said: "We have little control over unseasonable harvests and lower global CPO prices, but we can take steps to make the best out of challenging trading conditions. As our cost management programme and our successful efforts to secure external supplies of kernels to make use of lower mill utilisation demonstrate, this is what we are doing. In the longer term, we are confident that our ongoing programme to supply local smallholders with more productive plants grown at our state of the art nursery will help boost overall yields in the area, both during poor and strong harvests. Of course, unseasonable harvests work both ways and with this in mind we are hopeful that the stronger year on year volumes we have seen to date in July will continue and we remain well placed to take full advantage should both FFB levels and pricing improve.

"Meanwhile over the medium term, we are focused on transforming DekelOil into a multi-project, multi-commodity agricultural company, one which has diverse revenue streams that are not overly reliant on any one region or any one commodity. It is in this context that our recently secured option to acquire 58% of a cashew processing project in Tiebissou and the commencement of work at our second vertically integrated palm oil project at Guitry ought to be seen. While the poor harvest has resulted in a challenging half year period, we believe the prospects for DekelOil are excellent, and I look forward to providing further updates on progress made across our growing portfolio of agricultural projects in West Africa."

**** ENDS ****

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

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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 100% 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.