

Dekeloil PLC

First Day of Dealings on AIM

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Dekeloil Public Limited
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DekelOil Public Limited ('DekelOil' or 'the Company') First Day of Dealings on AIM and Completion of £1.7 million Fundraising

DekelOil Public Limited, a palm oil development company with interests in Côte d'Ivoire, is pleased to announce the admission of its issued share capital to trading on AIM. Dealings will commence at 8.00 a.m. today. This follows the completion of a placing by Optiva Securities Limited ('Optiva') of 170 million new shares at 1 pence per share to raise £1.7 million (before expenses) ('the Placing'). In conjunction with the Placing, the Company has acquired Boletus Resources Limited ('Boletus'), an unlisted investment company that raised a gross amount of £580,000 through Optiva in 2012.

The funds raised, together with the existing project finance, will be principally used to complete the construction of a 60 ton per hour palm oil extraction mill ('the Mill'), which is currently underway. Upon completion of the Mill construction, the Mill will be one of the largest in West Africa. Beaumont Cornish Limited is the Company's Nominated Adviser and Optiva is the Broker.

Highlights

- DekelOil is the 51% owner and operator of an established palm oil project ('the Project') which is aiming to become a major producer of crude palm oil ('CPO') in Côte d'Ivoire
- Joint venture partner, global conglomerate the Siva Group, has invested €8.3 million to date and will continue to match the Company's investment in the Project
- The cost of construction of the Mill is fully funded with €14.3million in loans from two West African development banks and the Mill arrived at Abidjan port on 9 March 2013 - construction is expected to be completed by the end of 2013
 - Capacity to produce 70,000 tons of CPO per annum
 - Land preparation and concrete works already substantially completed
 - Turn- key contract with Modipalm Engineering SDN BHD in place, a leading Malaysian engineering company

- 2014 CPO production is expected to be 40,000-50,000 tons (current CPO price CIF Rotterdam is \$US840/ton) with initial feed stock provided from 27,000 hectares of mature oil palm plantations secured under long term contracts
- An additional 1,886 hectares of Project estates already planted in proximity to the Mill
- €1 million plants per year capacity at palm oil nursery - to facilitate further Project plantations in proximity of the Mill
- Rights over 24,000 hectares in the Guitry region of Côte d'Ivoire will, subject to financing, form the basis of the second phase of the planting and development of the Project - intended to commence in early 2014
- Côte d'Ivoire (also the world's largest producer and exporter of cocoa), has an established palm oil market with options to sell CPO locally to large scale refineries or export CPO via West Africa's largest port, Abidjan
 - Côte d'Ivoire is the only net exporter of CPO in West Africa.
- Attractive investment incentives package in place for the Project including a total exemption on corporate tax on [profits](#) for six years

DekelOil Executive Director, Lincoln Moore, said, "We are focussed on building a major, asset-backed West African palm oil company. With this in mind, 2013 is already proving to be transformational for DekelOil, as we advance the construction of one of West Africa's largest Mill's by the end of the year, targeting significant operational cash flow in 2014. The quality of our assets and the work already undertaken to date demonstrates the scale of our ambition and accordingly, our experienced team felt that now was the right time to seek admission to AIM. Expansion is a high priority for DekelOil and we plan to evaluate and potentially acquire, subject to the availability of additional funds, any further value accretive assets in order to generate substantial value for shareholders."

Further Information:

DekelOil Public Limited is a Cyprus based holding company which indirectly owns 51 per cent. of, and is the operator of, DekelOil Côte D'Ivoire SA. ('DekelOil Côte D'Ivoire'), an oil palm development company established in the Republic of Côte d'Ivoire.

Palm Oil is the most commonly consumed vegetable oil in the world. It is used in a number of industrial processes and a wide variety of food and other household products. The demand for Palm Oil has continued to rise over recent years and it is an important global [commodity](#).

The Company was founded in 2007 when Mr Youval Rasin, the Company's Chief Executive Officer, who has been active in Côte d'Ivoire since 2001 alongside a group of private [investors](#), founded the Company with the objective of building a West African focused palm oil company which could address a lack of Palm Oil processing capacity in the region of Ayenouan (approximately 100km East of the port city of Abidjan, the largest city in Côte D'Ivoire).

In conjunction with its 49 per cent. joint venture partner the Siva Group, a significant operator of West African palm oil projects, the Company is currently constructing a 60 ton per hour CPO extraction Mill to process palm oil produced from estates managed by local co-operatives and owned by Ayenouan Farmers in the region. Once operations commence, which is expected to be by the end of 2013, the Mill will have a capacity to produce up to 70,000 tn of CPO per annum.

Initial feedstock for the Mill will be provided from long term contracts secured with smallholders covering approximately 27,000 hectares. In the medium term further feedstock will be derived from the Company's owned plantations, including 1,886 hectares already planted.

Palm Oil Market

Palm oil is a form of edible vegetable oil obtained by crushing the fruit of the palm oil tree, commonly referred to as FFB. Palm oil is the vegetable oil with the highest level of global consumption. Derivatives of CPO are used throughout the world for many food and non-food applications including cooking oil, margarine, ice cream, non dairy creamer, soaps, detergents, animal feed, cosmetics and industrial lubricants. It is estimated that approximately 80 per cent. of CPO is used in food-based products and the other 20 per cent. for non-food applications.

CPO is extracted through a process of sterilisation and pressing of the palm oil tree's FFB. Palm oil is one of the few perennial crops that are harvested all year round. The commercial life span of a palm oil tree is estimated to be up to 25 years. Palm oil is recognised as being significantly more productive due to its high oil yield per hectare compared to other edible oil sources, such as soybeans and rapeseed.

Palm oil is typically grown in tropical environments, less than ten degrees either side of the equator, including South East Asia, West Africa and South America. The largest producers of palm oil are Malaysia and Indonesia, which account for approximately 80 per cent. of annual global palm oil production. Cote d'Ivoire is the second largest producer of palm oil in West Africa and the only net exporter of palm oil in the region. DekelOil therefore benefits from operating in an established and proven palm oil market compared to other emerging producers such as the DRC, Liberia and Sierra Leone.

On Admission the Company will have 1,300,140,097 Ordinary Shares in issue and its TIDM is DKL.

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