

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

9 April 2019

### **DekelOil Public Limited ('DekelOil' or the 'Company') Q1 2019 Production Update**

DekelOil Public Limited, the West African focused agricultural company, is pleased to provide a quarterly production update for its 100%-owned vertically integrated Ayenouan palm oil project in Côte d'Ivoire (the 'Project') for the three months ended 31 March 2019.

	<b>Q1 2019</b>	<b>Q1 2018</b>	<b>Increase/ (decrease)</b>
FFB collected (tonnes)	69,340	59,531	16.5%
CPO production (tonnes)	14,921	13,605	9.7%
CPO sales (tonnes)	12,009*	13,758	-12.7%
Average CPO price per tonne	€520	€548	-5.1%
PKO production (tonnes)	943	959	-1.7%
PKO sales (tonnes)	933	719	29.8%
Average PKO price per tonne	€593	€987	-39.9%
PKC production (tonnes)	1,276	1,223	4.3%
PKC sales (tonnes)	1,211	1,113	8.8%
Average PKC price per tonne	€55	€50	10.1%

\*Excludes stock sold of 2,240 tonnes due for collection post 31 March 2019 (Q1 2018: 333 tonnes)

#### **Production**

- 9.7% increase in crude palm oil ('CPO') production at the Company's mill in Q1 2019 to 14,921 tonnes (Q1 2018: 13,605 tonnes) due to:
  - Materially higher CPO production in February and March 2019 compared to the previous year, more than offsetting lower year on year volumes in January 2019
  - Strong performance by new logistics centre set up to facilitate delivery of smallholder fruit to mill
- 69,340 tonnes of Fresh Fruit Bunches ('FFB') delivered to mill in Q1 follows recovery in yields to more normal levels following 2018's poor peak harvest season
  - DekelOil's market share as a proportion of total volumes harvested remains comparable with previous quarters
  - FFB stock on hand at the end of Q1 was 1,050 tonnes (negligible stock on hand at the beginning of the quarter)

- Extraction rate of 21.8% (Q1 2018: 22.7%) due largely to a slightly reduced percentage of oil content in fruit processed which the Board believe is consistent with that experienced by the Company's local competitors. Extraction rates of PKO and Kernel Cake remain consistent with the previous year at 42.2% and 56.7% respectively
- PKO and Kernel Cake production in Q1 2019 would have been materially higher than in Q1 2018, however, the Company is currently storing approximately 900 tonnes of kernels for processing when the high season subsides at the end of Q2 and early Q3

### **Sales and Pricing**

- Q1 CPO sales of 12,009 tonnes compared to last year's record sales performance (Q1 2018: 13,758 tonnes) - sales figures do not include additional stock sold of 2,240 tonnes which was due for collection post 31 March 2019 (Q1 2018: 333 tonnes)
- Successful strategy to secure sales of the Company's CPO at a premium to international prices although international benchmark prices remain weak
  - CPO sales secured at an average 9.5% premium to international prices. Whilst the Company will continue to push for strong premium pricing this is likely to be lower during the back end of the high season as local CPO stocks increase.
- The Company remains optimistic CPO pricing will improve over next 12 months due to both cyclical and structural factors
  - Increased biodiesel consumption, of which CPO is the primary feedstock, remains a key agenda item in Indonesia, the largest producer of CPO
- Strong recovery in gross margin percentages to more normal levels following a normalisation in raw material costs and higher premiums on international CPO prices compared to 2018

**DekelOil Executive Director Lincoln Moore said,** "The strong rebound in CPO volumes produced at our mill during Q1 2019 confirms last year's poor harvest was the anomaly many in the local palm oil industry had predicted. We remain optimistic that Q2 2019 will also be stronger than Q2 2018."

"Elsewhere in our portfolio of West African-focused agricultural projects, we will shortly be providing a detailed update on our large-scale cashew processing project at Tiebissou, as we enter the 12-month construction phase ahead of first production in early 2020. At that point, our quarterly production updates will cover not one, but two producing projects, reflecting the multi-commodity, multi-project agriculture company that DekelOil will have become."

In addition, application has been made to the London Stock Exchange for the admission of a total of 1,067,659 ordinary shares of €0.0003367 each ("Ordinary Shares") issued to certain advisers in settlement of fees for services provided ("Admission"). This figure includes 600,000 Ordinary Shares which will be issued to Vince McAleer, CEO of the Company's subsidiary DekelOil Côte d'Ivoire SA, as part of his base salary remuneration. It is expected that Admission will become effective on or around 15 April 2019. Following Admission, the Company's issued share capital will consist of 353,341,082 Ordinary Shares.

**\*\* ENDS \*\***

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**Notes:**

DekelOil Public Limited is a multi-project, multi-commodity agricultural company focused on West Africa. It has a portfolio of projects in Cote d'Ivoire at various stages of development: a fully operational palm oil project in Ayenouan where fruit produced by local smallholders is processed at the Company's 70,000tpa crude palm oil mill; a cashew processing project in Tiebissou, which is due to commence production in 2020; and a second palm oil project in Guitry which is under development.