



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU WISH TO TAKE YOUR DIVIDENDS AS CASH YOU NEED TAKE NO ACTION.

If you are in any doubt about the action you should take with this document, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold some or all of your shares prior to 15 June 2017, you should contact your stockbroker or agent without delay for advice as to how to proceed.

Dear Shareholder

27 June 2017

NOTICE OF AGM

As announced by the Company earlier today, the Company's Annual General Meeting will be held on 3 August 2017 at The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. I enclose with this letter the formal notice of the Annual General Meeting setting out the proposed resolutions together with a form of proxy to be completed and returned by shareholders who hold their shares in certified form and a form of instruction to be completed and returned by shareholders who hold their shares in uncertified form. Instructions for the completion and return of the proxy and form of instruction are clearly set out in those documents.

SCRIP DIVIDEND ALTERNATIVE

I am pleased to inform you that the Directors have decided to offer a scrip dividend alternative in respect of the dividend of 0.17 pence per ordinary share for the year ending 31 December 2016. By electing for the scrip dividend alternative, shareholders can receive their dividend in the form of new ordinary shares instead of cash and thereby increase their shareholding in the Company without incurring stamp duty or dealing expenses. The Company benefits from the retention in the business of cash, which would otherwise be paid out as dividends.

SCRIP DIVIDEND ALTERNATIVE FORM

If you wish to elect for the scrip dividend alternative in respect of some or all of your holding to apply to the dividend for the year ending 31 December 2016, you should complete the enclosed scrip dividend alternative form. Alternatively, you can elect to do this online by logging on at <https://www.computershare.com/uk> and going to *Manage My Shareholdings* to go to the Investor Centre.

CREST

If your shareholding is held in uncertificated form in CREST, you will not be able to complete a form. Instead, if your shareholding is in uncertificated form in CREST, you can only elect for the scrip dividend alternative on each occasion by submitting a 'Dividend Election Input Message' through the CREST system; no other method of election will be permitted.

BASIS OF ENTITLEMENT FOR THE DIVIDEND

Your entitlement to new ordinary shares in respect of the Dividend will be based on a price per share being the average of the middle market quotations for the Company's ordinary shares for the day on which they are quoted "ex" dividend and the four subsequent dealing days. Your entitlement to new ordinary shares will be based on this share price. The value of your entitlement will be subjected to rounding down to the nearest whole number to ensure that it is as nearly as possible equal to but not greater than the cash amount of the cash dividend.

The formula used in calculating your maximum entitlement (rounded down to the nearest whole number) will be as follows:

$$\begin{array}{c} \text{Number of ordinary shares specified in your scrip dividend alternative form} \\ \text{x cash dividend rate} \\ \div \\ \text{share price} \end{array}$$

For your protection, the Directors may (and absent mitigating circumstances intend to) declare elections void and pay an interim cash dividend instead if the middle market quotation for the Company's ordinary shares by the final date for receipt of the scrip dividend alternative forms falls by 15% or more from the share price used to calculate your entitlement. The Directors may also declare your election void and pay a cash dividend instead if the middle market quotation for the Company's ordinary shares by the final date for receipt of the scrip dividend alternative forms rises by 15% or more from the share price used to calculate your entitlement.

The full terms and conditions of DekelOil's scrip dividend alternative and scrip dividend alternative form, including an outline of the tax implications, are contained within the scrip dividend alternative booklet, a copy of which is enclosed with this letter and which you can view on the Company's website at www.dekeloil.com. The booklet is located in the investor section of the website under "Dividend". If you do not have access to the Company's website, a copy may be obtained on request from our registrars Computershare Investor Services Plc, by telephoning +44 (0)370 702 0000. Lines are open 8.30am – 5.30pm from Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services Plc cannot provide any financial, legal or tax advice and calls may be recorded and randomly monitored for security and training purposes.

If you are in any doubt as to what action to take or if you are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

TIMETABLE

The timetable for offering the scrip dividend alternative in respect of the interim dividend is as follows:

3 July 2017	Posting of scrip dividend alternative offer
13 July 2017	Ordinary shares quoted ex dividend
14 July 2017	Record date for the dividend
4 August 2017	Final date for receipt of scrip dividend alternative forms and CREST Dividend Election Input Messages
1 September 2017	Posting of dividend cheques and share certificates
4 September 2017	Dividend payment date
On or around 8 September 2017	First day of dealing in the new ordinary shares (unless otherwise notified to the shareholders)

RECOMMENDATION

The Directors recommend that you give careful consideration to the scrip dividend alternative and election arrangements and to the taxation implications.

If you intend to newly elect for the scrip dividend alternative for the dividend you must complete and return your scrip dividend alternative form so as to be received by Computershare Investor Services Plc no later than 5pm on 4 August 2017. Elections via CREST should be received by CREST no later than 5pm on 4 August 2017 in respect of those shares on which you wish to make an election.

If you wish to take your dividends in cash you need take no action.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Tillery', with a stylized flourish at the end.

Andrew Tillery
Chairman