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Dekeloil Public Limited - DKL Q3 2019 Production & Sales Update
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DekelOil Public Limited / Index: AIM / Epic: DKL / Sector: Food Producers
10 October 2019

DekelOil Public Limited ('DekelOil' or the 'Company') **Q3 2019 Production & Sales Update**

DekelOil Public Limited, the West African focused agriculture company, is pleased to provide a production and sales update for its Ayenouan palm oil project in Côte d'Ivoire (the 'Project') for the quarter ended 30 September 2019. This includes quarterly production of crude palm oil ('CPO') of 4,803 tonnes at the Project's mill resulting in total volume produced during the nine months to 30 September 2019 of 33,746 tonnes, a 22.2% increase on the 27,613 tonnes produced during the equivalent period in 2018. In addition, the Company is reporting a 30.5% increase in Q3 crude palm oil sales ('CPO') to 7,138 tonnes (Q3 2018: 5,471 tonnes), driven in part by the sale of CPO stock on hand at the beginning of the review period.

Q3 2019 production and sales figures for the Project are detailed in the table below:

	Q3 2019	Q3 2018	Increase / (Decrease)	H1 2019
FFB collected (tonnes)	24,665	24,938	-1.1%	131,917
CPO production (tonnes)	4,803	5,371	-10.6%	28,943
CPO sales (tonnes)	7,138	5,471	+30.5%	26,702
Average CPO price per tonne	€456	€544	-16.2%	€505
PKO production (tonnes)	538	526	+2.3%	1,896
PKO sales (tonnes)	819	578	+41.7%	1,539
Average PKO price per tonne	€487	€691	-29.5%	€589

PKC production (tonnes)	1,158	681	+70.0%	2,525
PKC sales (tonnes)	1,459	643	+126.9%	2,274
Average PKC price per tonne	€56	€52	+7.7%	€55

Production

- Q3 CPO production of 4,803 tonnes compares to 5,371 tonnes produced in Q3 2018 - follows record Q2 2019 production of 14,013 tonnes
- Brings CPO production for 9 months to 30 September 2019 to 33,746 tonnes, representing a 22.2% increase from the 27,613 tonnes produced over the nine month period ended 30 September 2018
- 1.1% decrease in fresh fruit bunches ('FFB') delivered to the mill to 24,665 tonnes follows excellent H1 2019 peak harvest during which a record 131,917 tonnes FFB were delivered to the mill
- CPO extraction rate lower than in Q3 2018, due to early harvesting by farmers looking to supplement their income during the low pricing environment
 - As part of its efforts to support the smallholder community, DekelOil has been accepting lower quality FFB, resulting in a circa 2% reduction in the mill's extraction rate compared with Q3 2018
- 2.3% and 70% increase in palm kernel oil ('PKO') and palm kernel cake ('PKC') production to 538 and 1,158 tonnes respectively, as successful strategy of sourcing external supplies of kernels for processing continues to yield results

Sales

- 30.5% increase in Q3 CPO sales to 7,138 tonnes (Q3 2018: 5471 tonnes) as 3,000 tonnes of CPO stock held at the beginning of the quarter was sold in an improving CPO pricing environment
- Average CPO price of €456 per tonne achieved in Q3 represents a 16.2% decrease on Q2 2019's €488 with CPO international benchmark prices reaching a low of €430 in July
- A partial recovery in international CPO prices seen through Q3 has flowed through to local CPO prices which have been above €510 in late Q3 and in early Q4
- 41.7% increase in PKO sales to 819 tonnes and 126.9% increase in PKC sales to 1,459 tonnes

DekelOil Executive Director Lincoln Moore said, "With 33,746 tonnes of CPO produced during the nine months to the end of September, full year production at Ayenouan is on track to return and likely exceed the levels we reported prior to 2018's anomalous peak harvest season. A recovery of CPO prices from cyclical lows would further assist Ayenouan in boosting profitability to and above previous levels, hence, we are encouraged by the recent gradual recovery in CPO prices. Despite CPO prices continuing to be well below historical averages of €725 per tonne, we remain very optimistic of improved pricing in the next 6-12 months and beyond.

"Together with the recent strengthening of our balance sheet following the AgDevCo debt refinancing in July 2019, this is an exciting period in our development,

particularly with work underway at our cashew processing project in Tiebissou where an initial 10,000 tonnes per annum plant is on course to be commissioned in H2 2020. At this point, DekelOil will not only be known as Dekel Agri-Vision, but will also have two producing projects each generating material and diversified revenue streams. I look forward to providing further updates on our progress."

**** 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 Côte 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.

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