

DekelOil Public Limited / Index: AIM / Epic: DKL / Sector: Food Producers
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DekelOil Public Limited ('DekelOil' or the 'Company')
Smallholder Supply Agreement at 38% Premium to Closing Stock Price

DekelOil Public Limited, operator and 51% owner of the vertically integrated Ayenouan palm oil project in Côte d'Ivoire (the "Project"), is pleased to announce that it has signed an agreement with a local smallholder, which owns approximately 1,000 ha of mature estates, for the supply of fresh fruit bunches ('FFB') for processing at the Company's 60 t/hr crude palm oil ('CPO') extraction Mill ('the Mill'), which is one of West Africa's largest.

Under the terms of the agreement, the smallholder will supply FFB to DekelOil for the six months to June 2016. The smallholder has requested that 50% of the consideration be received through the issue of new ordinary shares in the Company at a price of 1.52p per share (13 CFA Franc at a £: CFA Franc rate of 852), a 38% premium to the closing price of 1.10 pence on 21 January 2016. The issue of shares in settlement of the supply of FFBs is subject to a minimum stock settlement equivalent to £117,000 (100,000,000 CFA Franc) and a cap of £235,000 (200,000,000 CFA Franc) in stock.

This agreement is in line with the Company's strategy to increase CPO production towards the Mill's 70,000 tonnes per annum capacity. As announced on 6 January 2016, CPO production at the Mill increased by 151% to 35,770 tonnes for the year ended 31 December 2015.

DekelOil Executive Director Lincoln Moore said, "We view the smallholder's request to be partially paid in shares of DekelOil priced at a premium to the current market price as a strong endorsement of our Company and its near term valuation potential and we look forward to building a long term relationship with the smallholder as a fellow shareholder and supply partner."

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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 a 51% 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.