

Equatorial Palm Oil plc / Index: AIM / Epic: PAL / Sector: Food Producers  
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**Equatorial Palm Oil plc ('EPO' or the 'Company')**  
**Subscription agreement to raise £5 million**  
**Issue of New Equity**

Equatorial Palm Oil plc, the AIM listed Liberian focussed sustainable oil palm plantation developer, is pleased to announce it has signed a £5 million subscription agreement (the 'Agreement') with BioPalm Energy Ltd, a fully owned subsidiary of Indian conglomerate The Siva Group (the 'Investor'). The funds will be used for the continued development of the Company's 169,000 hectare land position and the acceleration of the plantation rollout programme.

Under the terms of the Agreement, the Investor has agreed to subscribe through Mirabaud Securities LLP for 33,333,333 new ordinary shares of £0.01 each in the Company ('Placing Shares') at a price of 15 pence (the 'Placing Price') per Placing Share. The Placing Price represents a premium of approximately 42.9 per cent. over the closing price of 10.5 pence per EPO share on 26 May 2010, being the last available business day prior to this announcement. Under the terms of the Agreement, the Investor has the right to appoint a Non-Executive Director to the board of the Company for so long as the Investor holds no less than 15% of the entire issued share capital of the Company, the appointment of whom will be announced in due course.

EPO Chairman Michael Frayne said, "We are very pleased with the investment by The Siva Group, a major Indian conglomerate which has a strong understanding of the palm oil sector, EPO's strategy and its potential. The subscription will provide additional capital for the development of our 169,000 hectare land position in Liberia and the acceleration of the plantation rollout programme. With a representative joining the Board, the relationship between the two parties will be strengthened and with close cooperation, we can ensure the value of our projects will be significantly enhanced and importantly, on a timeline shorter than initially envisaged.

"These are exciting times for palm oil operations in West Africa and particularly in Liberia, where major corporations such as Sime Darby and Golden Agri have announced significant palm oil investment plans. The global demand for palm oil continues to rise, and the need for new plantation developments such as ours has been identified by The Siva Group as an attractive opportunity."

The enlarged issued share capital of the Company following the issue of the Placing Shares will be 114,751,670 ordinary shares. The Placing Shares will represent approximately 29.1 per cent. of the enlarged issued share capital of the Company. Application will be made for

the Placing Shares to be admitted to trading on AIM and the Placing Shares are expected to commence trading on 3 June 2010.

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

For further information please visit [www.epoil.co.uk](http://www.epoil.co.uk) or contact:

Michael Frayne	Equatorial Palm Oil plc	Tel: 020 7766 7555
Jonathan Colville	Mirabaud Securities LLP	Tel: 020 7484 3510
James Leahy	Mirabaud Securities LLP	Tel: 020 7484 3510
Dru Danford	Shore Capital & Corporate Limited	Tel: 020 7408 4090
Edward Mansfield	Shore Capital & Corporate Limited	Tel: 020 7408 4090
Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Paul Youens	St Brides Media & Finance Ltd	Tel: 020 7236 1177

#### **Notes to editors:**

##### **About Equatorial Palm Oil**

EPO's objective is to become a producer of sustainable, low-cost CPO and to this end it has extensive operations located near the coast in Liberia, West Africa. The Company's operational strategy is expected to be implemented through three core business activities: the rehabilitation of existing oil palm plantations; the development of new plantations; and the development of out-grower small holdings. The Company has secured Government ratified Investment Agreements in Liberia for the investment, rehabilitation and participation by the Group over a sizeable acreage of existing oil palm plantations. EPO's operations have already commenced at the Butaw Plantation and Palm Bay Plantation.

##### **About The Siva Group**

Founded in 1986 by Mr. C Sivasankaran, The Siva Group is a Chennai based US\$3 billion Indian conglomerate, with over 3,000 employees and operations in Realty, Telecom, Project Engineering, Shipping, Energy, Agriculture and e-education/software. The Siva Group's diverse businesses are focussed on performance, competitiveness, value creation and customer-orientation. While simultaneously strengthening its traditional base, the Group is centred on identifying new business opportunities including agriculture. Given its global footprint, the Group is now aggressive in incorporating international expansion possibilities into its growth plans.