

06 March 2018

EQUATORIAL PALM OIL plc
("EPO" or the "Company")

Construction of Palm Oil Mill and Operational Update

Equatorial Palm Oil plc (AIM: PAL), the AIM listed palm oil development and production company with operations in Liberia, West Africa, is pleased to provide an update with respect to the construction of its palm oil mill and its general operations.

Palm Oil Mill ("POM")

The POM is being constructed at the Palm Bay estate in a modular fashion, with two lines of 30 metric tonnes per hour ("mt/hr") planned for construction. In anticipation of both lines becoming operational, the ground preparation has already been completed for the final 60 mt/hr POM. The construction of the first 30 mt/hr module of the POM is progressing well and is now nearing completion, with commissioning of this module on track for Q3 2018 as announced on 12 October 2017. The first shipment of crude palm oil ("CPO") is expected to take place in Q4 2018 following completion of the first module.

The state of the art POM will incorporate the latest advancements in mill technology and will also include a kernel crushing plant ("KCP") and a biogas plant, expected to be completed in Q3 in line with the first module of the POM - both of which will be the first of their kind in Liberia.

The KCP will have a capacity of 10 mt/day once fully operational, which will be sufficient to crush the kernel produced from the initial 30mt/hr module of the POM, and the resulting products will be palm kernel oil ("PKO") and palm kernel cake ("PKC"). PKO can be sold for industrial uses in oleochemical applications and PKC is generally used as a high protein ingredient for animal feedstock. Until such time as the Company has sufficient quantities of PKC for export, it will be used as fuel for the boiler in the POM.

The biogas plant as a renewable energy source captures methane emitted from the POM effluent to generate electricity for use in the POM and surrounding office and residential buildings. As a result, the POM is considered to be a highly efficient mill, in that there is no waste or residue.

Several of our Liberian employees are being sent to existing POMs in Malaysia run by Kuala Lumpur Kepong Berhad ("KLK") in order to receive training in preparation for the commissioning of the POM.

Bulking Station and Export Facility

Palm Bay estate is located 24km from the port of Buchanan, where EPO has leased approximately 4.5 acres of land for a bulking station and an export facility in close proximity to the wharf from which vessels will load EPO's oil palm produce for onward shipment to its customers.

The necessary Liberian government approvals for the construction of the bulking station have been obtained and the same contractor that is building the POM has been selected to construct the bulking station.

Construction of the bulking station is planned to complete in line with the commissioning of the POM in Q3 2018.

As the produced quantities of CPO increase, it is anticipated that the early volumes of CPO will be shipped to customers using flexibags. Flexibags sit inside shipping containers, each holding approximately 20 mt of CPO, and will be shipped out of the main port in Monrovia on conventional cargo ships.

Sales and Marketing

Notification has been received from the Ministry of Commerce and Industry in Liberia that Libinc Oil Palm Inc (EPO subsidiary and concession holder at Palm Bay estate) has received ECOWAS (The Economic Community of West African States) Commission approval for tariff free (import and export duties) trade for its oil palm products amongst ECOWAS countries of which Liberia is a member state. This approval is significant, as many of the ECOWAS member states, including Ghana and Nigeria, are net importers of crude palm oil.

Operational Update

Work has been ongoing at both Palm Bay and Butaw estates to tend to the already 7,900 ha planted since 2011. Field upkeep continues to keep the plantation in a good husbandry state.

Further land development awaits the conclusion of the requisite assessments and consents, in line with EPO's desire to adhere to the highest CSR standards, as part of the Roundtable on Sustainable Palm Oil ("RSPO") guidelines and the key criteria of free, prior and informed consent ("FPIC"). As a result, it is unlikely that any further land development and/or planting will take place before the end of the Company's financial year (30 September 2018).

The Company is committed to compliance with the assessments and requirements as set out in our Sustainability Policy and the new planting procedures of the RSPO, for which the relevant criteria include: FPIC, HCV ("High Conservation Value") assessment, HCSA ("High Carbon Stock Approach") assessment and GHG ("Green House Gases") reduction, amongst others.

Geoffrey Brown, Executive Director of EPO, commented:

"The commissioning of the new POM in Q3 2018 will be a significant milestone for EPO and for the re-development of the palm oil industry in Liberia. Working with the newly elected government of President George Manneh Weah and key stakeholders, we shall look to progress a sustainable palm oil operation in Liberia as the region represents a major opportunity to create a key, new global supply hub for seaborne export to international markets."

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Notes to editors:

Equatorial Palm Oil plc is an AIM listed crude palm oil developer and producer with palm oil estates in Liberia, West Africa. The Company was founded in 2005 and is focused on becoming a global, sustainable producer of high quality palm oil to regional and international markets.

With a significant land position in Liberia through its operating subsidiary Liberian Palm Developments Limited ("LPD"), the Company is geographically well positioned to serve the international and regional markets and is committed to making a positive impact on the communities in which it operates through investment in local schools, health clinics, housing and infrastructure.

The Company's largest shareholder and 50:50 joint venture partner in LPD is KLK. KLK is one of the largest palm oil producers in the world and the Company will greatly benefit from their many years of expertise in oil palm development.

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.

This information is provided by RNS
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