



PRESS ANNOUNCEMENT

THE AFRICAN AGRICULTURE FUND INVESTS IN FERONIA INC.

10 DECEMBER 2012

The African Agriculture Fund (AAF), managed by Phatisa, has concluded an agreement to invest up to US\$ 10.5 million in Feronia Inc. (Feronia) in the Democratic Republic of the Congo (DRC). Feronia's operations consist of three palm oil plantations: Yaligimba, Boteka (both situated in Equateur Province), Lokutu (located in Orientale Province) and a commercial arable farm in Bas Congo Province.

The DRC has the potential to become one of the world's key agricultural producers, with the capacity to feed over 2 billion people. The country has an optimal climate, abundant arable land and rainfall - an agronomic potential matched only by Brazil - yet the DRC currently imports more than US\$ 1 billion in agricultural commodities per year to feed its people. There is an urgent need and huge opportunity to displace the high cost food imports and ultimately transform the country into a net exporter of agricultural products.

Feronia acquired the historic Plantations et Huileries du Congo (PHC) - founded in 1911, from Unilever in September 2008. In September 2010, Feronia listed on the TSX Venture Exchange in Canada to facilitate access to capital markets and finance the growth of the business. With its public listing, Feronia Inc. became the first African agribusiness and the first palm oil producer listed on a North American Stock Exchange.

Feronia's three plantations, all located adjacent to the Congo River, constitute the largest brownfield growth opportunity in the palm oil industry. The company is producing palm oil from rehabilitated legacy plantings while re-planting previously planted areas.

The principal products are crude palm oil (CPO) and palm kernel oil (PKO). The existing palm oil mills, along with the new mill coming on stream at Yaligimba have a total capacity of 53 metric tons per hour with a possibility to increase capacity to 95 metric tons per hour. The CPO and PKO products are transported by barge to Kinshasa, where local processors purchase 100% of Feronia's production.

Feronia's management team is comprised of senior agribusiness professionals with extensive experience in managing both plantations and large scale mechanised farming operations in emerging markets, committed to sustainable agriculture, environmental protection and providing support for local communities.

The AAF, with the support of its development finance institutional investors, will assist in funding the continued growth of the business.

"The investment from Phatisa's African Agriculture Fund is a significant milestone for Feronia. It is a major endorsement from one of the continent's most sophisticated investors and has many long term benefits that greatly exceed the initial cash investment," said Ravi Sood, Executive Chairman of Feronia. "We are pleased to welcome the AAF and Phatisa as significant shareholders and active supporters of management's efforts to achieve its business objectives and create value for shareholders."

"This is the second African palm oil investment for the AAF in West and Central Africa and we see opportunities to grow this asset profitably, whilst meeting important development objectives" said Valentine Chitalu, Chairman of Phatisa Group.

This transaction demonstrates Phatisa's ability to execute innovative deals as Africa's agribusiness and food production equity partner of choice.

www.phatisa.com

Ends

(Words 510)

Website www.phatisa.com

> Private Equity Fund Managers

> African Agriculture Fund

> Pan African Housing Fund

Phatisa - African Agriculture Fund press contact

Izelle le Roux-Owen, Corporate Communications & Investor Relations, Phatisa

Telephone: + 27 11 463 1920

Email: izelleleroux@phatisa.com

Phatisa is a private equity fund manager, operating across sub-Saharan Africa, with offices in Mauritius, South Africa, Zambia, Kenya and Ghana. Phatisa comprises a team with a significant track record of managing private equity funds and agricultural businesses throughout the continent. The entire Phatisa team is located in Africa and spends a considerable amount of time developing relationships with strategic partners in all countries where funds under management are active. This ensures that funds have reliable networks and information in the countries in which they invest. Team members have a reputation built up over the last decade, which can be seen in their track records, on-the-ground network, and access to agricultural players and facilities on the continent. Phatisa provides the experience necessary to invest, manage and successfully exit what will be one of Africa's most pioneering agricultural private equity funds. www.phatisa.com

Feronia Inc. is a large-scale commercial farmland and plantation operator in the Democratic Republic of the Congo ("DRC"). The Company uses modern agricultural practices to operate and develop its oil palm plantations and arable farming business division. Feronia believes in the immense agricultural potential of the DRC for high-quality foodstuffs and edible oils given its ideal climate, excellent soil and highly skilled and experienced workforce. Feronia's management team is comprised of senior agriculturalists with extensive experience in managing both plantations and large-scale mechanized farming operations in emerging markets. Feronia is committed to sustainable agriculture, environmental protection and providing support for local communities. www.feronia.com