

Feronia Inc

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Feronia completes first tranche of private placement offering

Crude palm oil producer Feronia (CVE:FRN) announced Tuesday the completion of the first tranche of its brokered private placement for a total of \$4.8 million in proceeds.

Under the terms of the agreement with Macquarie Private Wealth and Renaissance Securities, the agents have the option to accept subscriptions for up to an additional 15 per cent of the maximum offering, exercisable in whole or in part up to 30 days following the offering's close.

The company issued two types of securities to purchasers in the first tranche of the offering.

The company received gross proceeds of \$3.7 million from the issue of 3,679 units, with each debenture unit consisting of one \$1,000 principal amount 12.0 per cent convertible unsecured subordinated debenture, and 1,667 common share purchase warrants.

The purchase price for each debenture unit was \$1,000 per unit.

Feronia also issued around 11.1 million common shares for a total of \$1.11 million in proceeds, at a purchase price of 10 cents per share.

The debentures will bear interest at 12.0 per cent per year, payable semi-annually, starting on December 31, and will be due five years from the closing of the offering.

The principal amount of the debentures will be convertible into common shares of the company, anytime prior to the maturity date, at a price of 17.5 Canadian cents per share.

This represents a ratio of 5,714 common shares per \$1,000 principal amount.

Each whole warrant in the units entitles the holder to purchase one common share at a cost of 30 cents per share until July 24, 2014.

"We are pleased to close the first tranche of this Offering and look forward to concluding the financing in the coming days," said Feronia's executive chairman, Ravi Sood.

"We are very encouraged and appreciative of the support of our existing shareholders and the participation of management and the Board of Directors in this Offering."

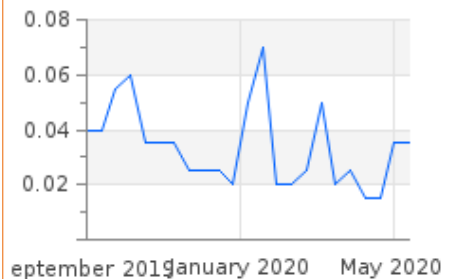
The company unveiled its plans for the brokered private placement financing for up to C\$10 million in proceeds on July 16.

Feronia also recently reported that in its arable farming operations, it anticipates having capacity in place to mill over

Price: 0.035

Market Cap: \$29.04 m

1 Year Share Price Graph



Share Information

Code: FRN

Listing: TSX-V

52 week High Low
0.11 0.015

Sector: Agribusiness

Website: www.feronia.com

Company Synopsis:

The Company's focus is on its Arable Farming operations and Oil Palm operations. The Arable Farming division is modeled after Brazil's wildly successful large-scale, mechanized farming operations. The Oil Palm division consists of the historic Feronia PHC plantations which have been in operation since 1911 and Feronia Seeds, Africa's pre-eminent seed breeding and sales operation.

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30,000 tonnes of rice per year and to farm 2,000 hectares of land, by the end of the third quarter.

The company is limiting its expenses on the arable farming operations and focusing its efforts on continuing to prove yields through smaller-scale plantings.

Feronia is focused on arable farming and oil palm operations in the Democratic Republic of Congo (DRC). Feronia PHC's three plantations span 107,892 hectares, an area larger than Manhattan, San Francisco, Brussels, Amsterdam, Zurich, Paris, Geneva, Lisbon, Dublin and Montevideo combined.

For the full-year 2011, the company achieved gross margin of 45 per cent, compared to 40 per cent in 2010.

Revenues grew to \$7.45 million from \$3.91 million a year earlier. Crude palm oil (CPO) production was up 61 per cent to 7,981 tonnes for the full year, up from 4,951 tonnes in 2010.

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