

3 November 2010

**Kedco plc
("Kedco" or the "Company")**

Term sheet received in respect of project finance for Newry plant

Kedco plc (LSE: KED.L), the cleantech group focusing on clean energy production in the UK, Ireland and Eastern Europe, announces today that it has been offered a project finance facility by Ulster Bank Group, a subsidiary of the Royal Bank of Scotland plc, to provide secured debt facilities in respect of the Company's biomass electricity and heat generating plant in Newry, Northern Ireland.

The facilities, which are subject to the satisfaction of certain pre-conditions, total £9.9m and comprise a term loan as well as VAT, working capital and performance bond facilities. Kedco is currently working towards satisfying the pre-conditions and agreeing legal documentation. The Company anticipates entering into binding agreements in early 2011.

The purpose of the facility is to complete the construction of the 4MW biomass electricity and heat generation plant located in Newry, Co. Down. The site in question is secured on a 20 year lease and has full permitting approval. The plant has a total estimated capital cost of £15 million and is expected to generate EBITDA of approximately £2 million per year from the sale of electricity once complete. In excess of £6 million has been invested in the Newry project to date and site construction is almost complete.

Kedco is also pleased to note the recent announcement by the UK government of its ongoing commitment to the Renewable Heat Incentive ("RHI") programme.

Donal Buckley, Chief Executive Officer of Kedco, commented:

"We are very pleased to have been offered this project finance facility by Ulster Bank. We also strongly welcome the confirmation on 20 October 2010 by the UK Government that the Renewable Heat Incentive will go ahead in 2011. We believe the RHI Scheme is the first of its kind in the world and we believe that it will add significantly to the value of our biomass electricity and heat generating projects."

For additional information please contact:

Kedco plc
Donal Buckley, Chief Executive / Gerry Madden, Finance Director

+353 (0)21 467 0427

Deloitte Corporate Finance – Nomad
Jonathan Hinton / David Smith

+44 (0)20 7936 3000