

Kedco plc
(“Kedco” or the “Company”)

Heads of terms for new 25MW biomass project and Portfolio update

Kedco plc, (AIM:KED) the renewable energy group focusing on the production of clean energy in the UK and Ireland, is pleased to provide an update on its project portfolio and announce the signing of heads of terms with Londonderry Port & Harbour Commissioners regarding a new biomass project, with a capacity of up to 25MW.

1. Londonderry Biomass

The Company has signed heads of terms with Londonderry Port & Harbour Commissioners. This gives Kedco an option to lease a 10 acre site located within Londonderry Dock, Northern Ireland, for the proposed construction of a biomass electricity and heat generating plant with a capacity of up to 25MW. The heads of terms have been approved by the Board of Kedco and the Londonderry Port & Harbour Commissioners. The heads of terms are not legally binding and are subject to contract and the completion of formally executed legal documentation.

The proposed project site is located in a strategic area of the port that already contains the 400MW ESB Coolkeeragh gas fired power plant and another biomass project which has received planning permission.

The Company expects to sign a binding option agreement before the end of March 2013, following which the planning process will start immediately.

2. Newry Biomass – Phase Two

The Company has started the pre-planning consultation process for a 4MW extension to the Newry Biomass project; this will bring the total capacity of the Newry project up to 8MW once all phases are fully constructed.

The new 4MW extension will be developed on land currently leased by the project entity, Newry Biomass Limited (“NBL”). NBL has also already paid a deposit on a new dedicated 33kv grid connection, which will have the ability to take up to 20MW of capacity.

A planning submission for the extension will be submitted by the end of June 2013 and a decision is expected by the end of 2013.

If planning is granted for the extension the Company estimate that the extended plant could employ up to 15 people once fully operational. The Company will provide further updates in due course.

3. Altilow wind project

The Altilow 500KW wind project, which is located in Co. Donegal, Ireland was acquired as part of the acquisition of Reforce Energy Limited. The project has already received planning permission and an application for connection to the national grid was submitted in December 2012. In addition, a meteorological mast was installed at the site in the same month. This will collect wind data from the site for a period of 12 months. Following completion of the wind studies, the project will move toward financial close and construction. It is expected to be operational in mid-2014.

Gerry Madden, CEO of Kedco, commented: “Today’s announcement clearly demonstrates the progress and opportunities available to the Company in the renewable energy sector. Following the commissioning of the Newry Biomass project, the Company has had a number of approaches from various parties with a view to developing new renewable energy projects. The Londonderry Port project is the first such project, and we are delighted to have signed heads of terms.

“Similar interest and approaches from local businesses requesting increased amounts of renewable energy have also led the Company to seek to double the capacity of our Newry Power Plant.

“We are also delighted to provide the first update for a project that was acquired as part the Reforce transaction; further announcements on similar projects will be made throughout the year.

“The Board anticipates an exciting year ahead for the Company. We have clear objectives and a very active development program that offers exposure to a diversified portfolio of projects, and we look forward to updating shareholders on these projects as they progress.”

- Ends -

For further information:

Kedco plc +353 (0)21 483 9104

Gerry Madden, CEO and Interim Finance Director

Deloitte Corporate Finance - Nomad +44 (0)20 7936 3000

David Smith / Byron Griffin

SVS Securities plc – Broker +44 (0)20 7638 5600

Ian Callaway / Alex Matthey

Abchurch Communications +44 (0)20 7398 7707

Ashleigh Lezard / Shabnam Bashir

About Kedco plc

Kedco plc's business strategy is to identify, develop, build, own and operate renewable energy electricity and heat generation plants in the UK and Ireland. These plants will contribute to the need for sustainable energy from renewable sources.

The Company possesses significant knowledge of renewable energy markets, clean technologies, fuel sources, project development, project finance and project delivery.

Kedco has a strong pipeline of renewable energy projects at varying stages of operation and development, including a 4MW plant in Newry in Northern Ireland

whose initial phase has commenced operation and a site in North London with full Planning and Environmental Permission for the conversion of 60,000 tonnes of waste timber per annum into up to 12MW of electricity and heat. The Company has a construction ready 750kW Wind project in County Cork in Ireland and is currently engaged in the planning process for proposed renewable energy projects in Rutland, East Anglia and Clay Cross, Derbyshire and for three Wind projects and two Solar projects on the island of Ireland.

Kedco was admitted to trading on AIM, a market operated by the London Stock Exchange, in October 2008 (AIM:KED).

www.kedco.com