

Kedco plc

Completion of Restructuring and Fundraising

Kedco plc (AIM:KED) ("Kedco" or the "Company") the renewable energy group focusing on the production of clean energy in the UK and Ireland, today announces the completion of the Restructuring and Fundraising process detailed in the circular to shareholders dated 10 September 2012 (the "Circular"). The completion of this process results in a significant strengthening of the Company's balance sheet through the reduction of its debt by approximately £8.5 million and the issue of further equity of approximately £770,550 secured from new and existing investors. The Company recently announced that it had secured a conditional offer of further financing of £1.5 million for the further development of its Newry Power Plant.

Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning ascribed to them in the Circular.

Fundraising

The Company has secured approximately £770,550 (gross) through a placing of 95,129,619 new Ordinary Shares at an issue price of 0.81 pence per ordinary share, with a number of new and existing investors.

The proceeds of the Fundraising will be used by the Company to meet its on-going working capital requirements including the continued development of its project pipeline. On the basis of its current cash flow projections, and in light of the Company's expanding pipeline of development and acquisition opportunities, the Directors anticipate undertaking a further equity fundraising in 2013.

Restructuring

The decision of the Shareholders and the Lenders to support the Restructuring, which involves, inter alia, the conversion of debt into equity, will remove approximately £8.5 million of debt from the Company's balance sheet.

Pursuant to the Restructuring, Kedco will issue 540,070,386 new Ordinary Shares in aggregate to its Lenders through a debt for equity exchange. The Company's major shareholder, Farmer Business Developments plc ("FBD"), has agreed to convert €326,184 of its Unsecured Notes into 32,352,620 warrants (the "Warrants") so as not to trigger the mandatory bid requirements of the Irish Takeover Code. The Warrants, which do not carry a coupon, are convertible into Ordinary Shares, on a one-for-one basis, at any time by FBD. The issue of the Warrants constitutes a related party transaction under the AIM Rules between FBD and Kedco. The Kedco directors (excluding Dermot O'Connell who is an appointee of FBD) consider, having consulted with Deloitte Corporate Finance, that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned.

In addition, Kedco will transfer its interest in Kedco Block Limited to Cornhill Asset Management Limited, which is acting for and on behalf of the holders of the Zero-Coupon Secured Notes. As a result, Kedco Block Limited's financial performance including that of its 80 per cent. subsidiary, SIA Vudlande, will no longer be consolidated in the Kedco Group's financial statements.

The Lenders have each entered into a 'lock-in' restriction whereby they are unable to dispose of the new Ordinary Shares that they will receive pursuant to the Restructuring for a period of two years from the date of Admission.

Acquisition

The Company continues its discussions in relation to the proposed acquisition of Reforce Energy Limited ("Reforce") and anticipates making a further announcement in this respect in due course.

Interests in Kedco shares

Following the Restructuring and Fundraising the following Kedco shareholders will have an interest in excess of three per cent. in the Ordinary Shares:

	Number of shares held	Percentage of issued share capital following the Restructuring and Fundraising
FBD	267,344,148	28.24
Edward Barrett	86,194,592	9.10
John Barrett	53,092,933	5.61
Ronan Barrett	37,598,765	3.97
Johnny Barrett	34,189,491	3.61

In addition, following the Restructuring and Fundraising the following Kedco Directors, not included in the table above, will have an interest in the Ordinary Shares:

	Number of shares held	Percentage of issued share capital following the Restructuring and Fundraising
Brendan Halpin	16,038,808	1.69
William Kingston	16,719,734	1.77
Diarmuid Lynch	23,964,658	2.53
Gerry Madden	76,667	0.01
Donal O'Sullivan	66,667	0.01

Pursuant to the Restructuring and Fundraising, an application will be made for the admission of 635,200,005 new Ordinary Shares to trading on AIM. The new Ordinary Shares, which will be issued, fully paid, will rank pari passu in all respects with the Ordinary Shares in the capital of the Company. Admission of the Placing Shares and Conversion Shares to trading on AIM is expected to occur on 30 November 2012.

As a result of the Restructuring and Fundraising, the total number of voting rights as of 30 November 2012 will increase to 946,762,760. Shareholders should use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company, under the FSA's Disclosure and Transparency Rules.

Gerry Madden CEO commented: "The end of this process marks a turning point for the Company and we can now look to the future with confidence and excitement. We are extremely pleased with the decision of the Shareholders and the Lenders to support the conversion of debt into equity and with the equity placing. The Board believes that these decisions show confidence in the Company's future, its management and its business strategy. The finalisation of this process also enables the

completion of the Reforce acquisition, which we intend to announce shortly. We believe that the restructuring of our balance sheet, resulting in a more appropriate capital structure, the proposed Acquisition and our existing project pipeline of operating and developing renewable energy generating plants underpins and supports the achievement of our objective of becoming one of the UK and Ireland's largest independent renewable energy companies."

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