

Kedco plc

("Kedco" or the "Company")

Issue of €2 million Convertible Senior Loan Note

Kedco plc, (AIM:KED) the renewable energy developer and operator focusing on the production of clean energy in the UK and Ireland, announces that it has issued an unsecured €2 million Convertible Senior Loan Note ("loan note") to fund its ongoing development and working capital requirements. The loan note is being issued to its 26.79% shareholder, Farmer Business Developments plc ("Farmers").

The Company has two existing facilities with Farmers as announced on 20 August and 28 March respectively.

1. A working capital facility, which has no maturity date and is repayable on demand, is unsecured and any drawdowns accrue interest at a rate of 5 per cent. per annum. The facility is capped at €500,000 but may be increased by agreement between the parties. This facility has been drawn down in full.
2. A £400,000 unsecured loan with a three year term repayable on 1 April 2016; an interest rate of 10% per annum on outstanding capital balances, such interest to be accrued and rolled up to 1 April 2016; and which is convertible at the discretion of the holder at any time after 15 April 2013. The conversion price here being the average of the closing mid-market price of the ten working days prior to conversion or the placing price achieved under any future equity fundraising. This facility has been drawn down in full.

The total amounts owing under these facilities including capital and interest of €1,016,250 will form the consideration for the initial subscription for the new loan note. The balance will be subscribed for on a monthly basis with a minimum cash subscription of €150,000.

The key terms of the loan notes are as follows:

- Quantum of €2,000,000;
- The loan will be repayable upon the note holder giving 30 days written notice to the company;

- Interest rate of 5% per annum on outstanding capital balances, such interest to be accrued and rolled until repayment;
- Initial subscription of €1,016,250 will be made through the transfer of the existing facilities into this loan note
- Additional subscriptions for loan notes under the instrument will be on a monthly basis with a minimum subscription of €150,000
- Convertible at the discretion of the holder at any time after 1 January 2014 with the conversion price being the average of the closing mid-market price of the ten working days prior to conversion or the placing price achieved under any future equity fundraising. Farmers will not be able to convert any proportion of the loan notes into Kedco ordinary shares; if to do so would result in Farmers holding in excess of 29.9% of Kedco's issued share capital.

Farmers is a substantial shareholder of the Company and as such the entry into the loan note instrument is a related party transaction for the purposes of Rule 13 of the AIM Rules. The Independent Directors (being the directors other than Dermot O'Connell), having consulted with Shore Capital and Corporate Limited (the Company's nominated adviser), consider that the terms of the loan note are fair and reasonable insofar as shareholders of Kedco are concerned.

- Ends -

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About Kedco plc

Kedco Group is a renewable energy portfolio developer and operator whose business strategy is to identify, develop, build, own and operate renewable energy electricity and heat generation plants in the UK and Ireland.

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

Kedco was admitted to trading on AIM, a market operated by the London Stock

Exchange, in October 2008 (AIM: KED).

(www.kedco.com)