

Kedco plc

("Kedco" or the "Company")

Issue of Convertible Loan Notes

Kedco plc (LSE: KED.L), the renewable energy developer and operator focusing on the production of clean energy in the UK and Ireland, is pleased to announce that it has agreed a £400,000 unsecured loan to fund its ongoing development and working capital requirements. The loan which is being provided by its 26.79% shareholder, Farmer Business Developments plc ("FBD") will be structured as the Convertible Loan Notes

The key terms of the Convertible Loan Notes are as follows:

- quantum of £400,000;
- three year term repayable on 1 April 2016;
- interest rate of 10% per annum on outstanding capital balances, such interest to be accrued and rolled up to 1 April 2016;
- convertible at the discretion of the holder at any time after 15 April 2013 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.

FBD will not be able to convert any proportion of the Convertible Loan Notes into Kedco ordinary shares if to do so would result in FBD holding in excess of 29.9% of Kedco's issued share capital.

By virtue of FBD's existing shareholding in the Company, the Convertible Loan Notes constitute a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. The independent directors of Kedco (comprising Gerry Madden, Steve Dalton, Eddie Barrett and Brendan Halpin consider, having consulted with Deloitte (the Company's nominated adviser), that the terms of the Convertible Loan Notes are fair and reasonable insofar as the Company's other shareholders are concerned.

In addition, another existing Kedco investor has irrevocably undertaken to subscribe £100,000 at a future equity fundraising to be undertaken by the Company.

- Ends -

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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 800kW 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).

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