

**Kedco plc**

("Kedco" or the "Company")

**Kedco's Newry Biomass Plant hits operational milestone and commences exporting of electricity**

Kedco plc, (AIM:KED) the renewable energy group focusing on the production of clean energy in the UK and Ireland, announces that the Company's plant in Newry, Northern Ireland, which will produce a total of 4MW, has commenced the exportation of power to the grid from its biomass electricity and heat generation plant. This marks the Company's transition to an operator of renewable energy assets from a pure development company.

The electricity generated by the Newry Biomass Plant is being sold to Bord Gais Eireann under a Power Purchase Agreement. The Company now intends to move towards the completion of the next 2MW phase of the project, which is expected to come online in Q4 2013. The civil and on-site works for this additional 2MW have already been completed and a deposit has been paid to secure the expansion of the grid infrastructure for the project.

Once fully operational, the plant will employ up to 12 people and be able to provide clean electricity to over 7,000 homes.

The Company's plant at Newry is the first in its pipeline to commence exporting power to the electricity grid. Kedco's other key asset is the 12MW Enfield Biomass Project located in Enfield, London. This project has full planning and permits to convert 60,000 tonnes per annum of waste wood and has entered into advanced discussions on an offer to connect to the national grid. The Company has already entered into a 20-year lease in relation to the site. The Company also has various options available for feedstock sourced locally for the plant.

The Directors believe that this project in Enfield is one of the most advanced biomass development projects located in the London region. The Company intends to progress the project towards financial close and commencement of construction.

In line with this aim, the Company has already conducted preliminary discussions with debt and equity partners and these are expected to progress over the course of the next few months. A further update will be provided as appropriate.

Gerry Madden, CEO of Kedco, commented:

“This step marks the Company’s move from being solely a clean energy project developer to a clean energy producer. The Board is delighted with the progress made at the site, and is pleased to be generating revenue from the plant, as this significant step in the Company’s development will provide Kedco with good visibility of earnings. Biomass electricity and heat producing technologies are among the most incentivised in the UK, and this support further underpins Kedco’s business model.

The Board would like to thank its key commercial partners, RBS Ulster Bank, Stobart Group, Clarke Energy/GE Jenbacher and Zeropoint, for their work completed on the project to date. The Company looks forward to completing the commissioning of the additional 2MW of its Newry Biomass project.”

Eddie Cullen, Head of Corporate & Institutional Banking, Ulster Bank said:

“This operational milestone is an important one for Kedco. Our support for the project has enabled us to clearly demonstrate our continued commitment to customers in the renewables market on the island of Ireland.”

Haydn Rees, Managing Director of Clarke Energy Limited, commented:

“We congratulate Kedco on their progress to date with the Newry project and we look forward to continuing our support of Kedco on their future projects.”

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**Further information on 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, biomass and waste fuel sources, project development, project finance and project delivery.

Kedco has a strong pipeline of additional plants at varying stages of development, including 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 is also currently engaged in the planning process for proposed biomass projects in Rutland, East Anglia and Clay Cross, Derbyshire.

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

**Further information to Newry Biomass project**

Kedco plc has invested £6 million in the Newry Biomass Plant to facilitate bringing the project into operation. The plant has been developed as a joint venture with the Company's largest shareholder, Farmer Business Developments plc. The company retains a 50% equity interest in the project as well as a 92% interest in the economic return from the project.

The balance of the funding is being provided by Ulster Bank Group, a subsidiary of RBS. Financial close for up to £9.44 million of debt facilities finance was reached in December 2012 with Ulster Bank.

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