

**15 February 2011**

**Kedco plc**

("Kedco" or the "Company")

**Completion of placing and working capital facility**

Kedco plc (LSE: KED.L), the cleantech group focusing on clean energy production in the UK, Ireland and Eastern Europe, is pleased to announce that it has secured GBP£1,000,000 (gross) from a placing with a variety of investors (the "Placing") and that it has secured a €1,200,000 facility to assist its short-term working capital requirements (the "Facility") from its 23.55% shareholder, Farmer Business Developments plc ("FBD"). On 25 January 2011 Kedco had announced that it had secured GBP£750,000 from a placing.

Kedco will use the proceeds from the Placing and the Facility for working capital purposes and for continuing investment in its portfolio of biomass projects.

Pursuant to the Placing, an application will be made for the admission of 15,259,259 Placing Shares to trading on AIM. The Placing Shares, which will be issued fully paid, will rank pari passu in all respects with the existing ordinary shares of the Company. Admission of the Placing Shares to trading on AIM is expected to occur on 22 February 2011.

As a result of the Placing, the total number of voting rights as at 22 February 2011 will increase to 255,281,886. 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.

The Company also announces that it has allotted 444,444 new ordinary shares in the Company at 6.75 pence per share, to SVS Securities plc and Beaufort International Associates Limited, in lieu of brokerage commission on the Placing. These shares are included in the application for admission referred to above.

The key terms of the Facility are as follows:

- quantum of €1.2 million, of which €800,000 has already been drawn with the balance to be drawn in equal monthly instalments up to April 2011;

- interest rate of 10% per annum on outstanding capital balances, such interest to be accrued up to 1 May 2011;
- the drawn-down proportion of the Facility may be converted at any time by FBD into either the loan notes that were originally issued by the Company in July 2010 (the "Loan Notes") or ordinary shares in Kedco. If FBD opts to convert the Facility into Kedco ordinary shares then the conversion price will be the average of the closing mid-market price of the ten working days prior to conversion. FBD will not be able to convert any proportion of the Facility into Kedco ordinary shares if to do so would result in FBD holding in excess of 29.9% of Kedco's issued share capital;
- the Facility will be secured on the residual of the assets secured by the Loan Notes; and
- from 1 May 2011, FBD may either require the drawn down proportion of the Facility plus accrued interest to be repaid or extend the Facility.

By virtue of FBD's existing shareholding in the Company, the Facility constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. The directors of Kedco consider, having consulted with Deloitte (the Company's nominated adviser), that the terms of the Facility are fair and reasonable insofar as the Company's other shareholders are concerned.

Donal Buckley, Chief Executive said:

"We are very pleased to announce this successful fundraising. The funds were raised from a number of new and existing investors and we are very encouraged by the support given to our business and strategy.

"We also welcome the recent decision by the European Union to approve the granting of up to four Renewable Obligation Certificates ("ROC's") for certain Anaerobic Digestion ("AD") plants in Northern Ireland. We look forward to the Northern Ireland Assembly legislating for the incentives in the near future. This will add significant value to future AD projects."

**- Ends -**

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