

Kedco plc

("Kedco" or the "Company")

**Posting of Circular
and Notice of Annual General Meeting**

Kedco plc, (AIM:KED) the renewable energy developer and operator focusing on the production of clean energy in the UK and Ireland, announces the posting of a circular to shareholders today giving notice of an annual general meeting ("AGM"), be held at 9.00 a.m. on 20 December 2013 at The Park Inn Airport Hotel, Cork, Ireland. At the AGM, shareholders will have the opportunity to vote on a share consolidation, a change of the Company name and new authorities for the directors to issue capital.

All defined terms in this announcement shall have the meanings ascribed to them in the circular posted today.

The following is an excerpt from the circular:

Introduction

The Company has made considerable progress over the past twelve months. The restructuring of the Group, the acquisition of Reforce Energy Limited and the raising of finance for ongoing operations and to advance the Group's project portfolio were all successfully completed. To reinforce the progress made by the Company during this period, the Directors believe that it would be appropriate and beneficial to both the Company and its shareholders to undertake a Capital Reorganisation.

The Board has therefore decided to seek Shareholder approval at the Annual General Meeting for the Capital Reorganisation. The Capital Reorganisation comprises firstly a consolidation of the Existing Ordinary Shares (including also the unissued but authorised existing Ordinary Shares) and secondly a Subdivision of the Consolidated Shares to create the New Ordinary Shares and the Deferred Shares. The effect of the Capital Reorganisation is to reduce the number of Ordinary Shares

in issue by a multiple of approximately 50 and, accordingly, assuming normal market conditions, to increase the price at which the New Ordinary Shares will trade to approximately 50 times the value at which the Existing Ordinary Shares currently trade.

The Board believes that the consolidation of share capital will result in a more appropriate number of shares in issue for a company of Kedco's size and may also help to make the New Ordinary Shares more attractive to investors going forward.

As at the date of this document the Company had 1,118,502,058 Existing Ordinary Shares in issue. With shares of low denominations, small absolute movements in the share price can represent large percentage movements resulting in high volatility. The Share Consolidation is expected to assist in reducing the volatility in the Company's share price and enable a more consistent valuation of the Company. The Board also believes that the bid/offer spread on shares priced at low absolute levels can be disproportionate to the share price and therefore to the detriment of shareholders.

Following the Share Consolidation, Shareholders will still hold the same proportion of the Company's ordinary share capital as before the Capital Reorganisation. Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Articles of Association to the Existing Ordinary Shares.

Capital Reorganisation

The Company currently has a large number of Ordinary Shares in issue. Small movements in the share price can result in large percentage movements, causing volatility to the Company's shares. The consolidation or combination may therefore reduce share price. Additionally, Directors of the Company believe a low valuation per share can hinder the Company's efforts to attract additional institutional investors.

At the Meeting, shareholders will be asked to approve a special resolution authorising the Company to consolidate or combine its issued and outstanding Existing Ordinary Shares on the basis of fifty (50) Existing Ordinary Shares for one (1) New Ordinary Share (the "Consolidation"). A special resolution means a resolution passed by a majority of not less than 75% of the votes cast by the shareholders who voted in respect of that resolution.

To facilitate the proposals and avoid the creation of a fraction of a consolidated share on consolidation, it is necessary to allot a further 42 Ordinary Shares of €0.01 prior to the Consolidation taking effect. These Ordinary Shares are being allotted to the Company Secretary for cash at par. Following the Consolidation, the Company's authorised share capital will be €100,000,000 divided into 200,000,000 Ordinary Shares of €0.50 each. Assuming no further ordinary shares are issued between the date of this Circular and the Consolidation becoming effective (other than those referred to above), the issued share capital will comprise 1,118,502,100 Ordinary Shares prior to the Consolidation.

The nominal value of each of the current authorised and issued Ordinary Shares is €0.01. This exceeds the market price per Ordinary Share. Irish law provides that shares may not be issued at a discount to their nominal value. Accordingly, in order for the Company to be able to issue any New Ordinary Shares on market terms, it must reduce the nominal value of the existing Ordinary Shares.

This reduction is to be effected by a sub-division of each Ordinary Share into one ordinary share of nominal value €0.10 each and one Deferred Share of €0.40 each.

The New Ordinary Shares will continue to carry the same rights and benefits as those attached to the Existing Ordinary Shares (save for the reduction in nominal value). The number of New Ordinary Shares in issue following the Capital Reorganisation will be 22,370,042.

The Deferred Shares will be effectively valueless, non-transferable and have no effect on the economic interest of the Shareholders. Share certificates will not be issued in respect of the Deferred Shares and, subject to the passing of the special resolution, the Company will have the right to repurchase all the Deferred Shares for an aggregate consideration of 1 cent.

The proposed Consolidation will not change in any way any shareholder's proportion of votes to total votes however, if the special resolution is passed, the total number of votes that a shareholder may cast at any future general meeting of the Company will be reduced. Any resulting fractional Ordinary Shares will be rounded up to the nearest whole number and in accordance with Article 47 of the Company's Articles of Association fractional shares in the capital of the Company arising from the

Consolidation may be sold by the Directors, on behalf of the holders thereof, at the best price reasonably obtainable to any person. The Directors shall distribute the proceeds of such a sale in due proportion among those holders as long as the amount is €5.00 or more. Amounts of less than €5.00 will be retained for the benefit of the Company.

Following the proposed Capital Reorganisation taking effect on the Record Date, share certificates in respect of Existing Shares will no longer remain valid. New share certificates in respect of New Ordinary Shares will be posted to Shareholders on or before 8 January 2014.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings will commence in the New Ordinary Shares by 8.00am on 23rd December 2013. The Company's existing International Securities Identification Number ('**ISIN**') will be cancelled from such time and a new ISIN will be notified to shareholders via a regulatory announcement.

Change of Name

The rationale behind the proposed change of name is to give the business a clearer identity following its strategic shift towards its core business of Renewable Energy And Clean Technology ("REACT").

The Company also therefore proposes to change the name of the Company to REACT Energy plc to more accurately reflect the clear focus of the Company, subject to approval of Shareholders at the Annual General Meeting.

Annual General Meeting

Notice of the Annual General Meeting to be held at 9.00 a.m. on 20 December 2013 at The Park Inn Airport Hotel, Cork, Ireland to consider the Resolutions is set out at the end of the shareholder circular. Existing Shareholder approval of the Resolutions is required in accordance with the Companies Acts, the Articles of Association of the Company and the AIM Rules. The Resolutions to be proposed are:-

Ordinary Business

1. To receive and consider the Directors' Report and the Audited Accounts for the year ended 30 June 2013 together with the Auditors' Report thereon.

2. To re-elect Steve Dalton as a Director.
3. To re-elect Edward Barrett as a Director.
4. To re-appoint Deloitte & Touche Ireland as Auditors of the Company and to authorise the Directors to agree the remuneration of the Auditors.

Special Business

Capital Reorganisation

5. To approve the consolidation or combination of the Company's issued and unissued ordinary shares on the basis of 50 existing ordinary shares of nominal value of 1 cent each to be consolidated into 1 Consolidated Share of nominal value 50 cents each.
6. That each of the new ordinary shares of 50 cent each in the capital of the Company post consolidation be subdivided into (i) one ordinary share of 10 cent each (a "New Ordinary Share") having the same rights, and being subject to the same restrictions as the existing ordinary shares of 1 cent each; and (ii) 1 deferred share of 40 cent each (a "Deferred Share") having the rights and being subject to the restrictions set out in Article 46 of the new Articles of Association to be adopted pursuant to Resolution 7 below.
7. That the draft Articles of Association produced to the meeting and initialed by the Chairman for the purpose of identification be adopted in substitution for, and to the exclusion of, the current Articles of Association of the Company.

Change of Name

8. To approve the change of the name of the Company to REACT Energy plc

Action to be taken

For Existing Shareholders who hold their shares in certificated form, a Form of Proxy has been enclosed with the shareholder circular for use at the Annual General Meeting. Whether or not you wish to attend the Annual General Meeting, you are requested to complete and sign the Form of Proxy and return it to the Company's Registrars, Capita Asset Services, Shareholder solutions (Ireland), by post to P.O. Box 7117, Business Reply, Dublin 2, Ireland or by hand to Capita Asset Services,

Shareholder solutions (Ireland), 2 Grand Canal Square, Dublin 2, Ireland so as to arrive no later than 48 hours before the time appointed for the Annual General Meeting.

Alternatively for those who hold Existing Ordinary Shares in CREST, an Existing Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST participant ID 7RA08). In each case the proxy appointment must be received by no later than 09:00 a.m. on 18 December 2013. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent you from attending the meeting and voting in person should you wish to do so.

Recommendation

The Board considers the Resolutions to be in the best interests of the Company and its Shareholders as a whole and recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own interests which amount, at the date of this document, in aggregate to 126,456,280 Ordinary Shares, representing approximately 11.3 per cent of the existing issued share capital of the Company.

- 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)