

Kedco plc
(“Kedco” or the “Company”)

Completion of acquisition of Reforce Energy Limited

Kedco plc, (AIM:KED) the renewable energy group focusing on the production of clean energy in the UK and Ireland, announces that it has completed the acquisition of Reforce Energy Limited (“Reforce”) (the “Acquisition”). Consideration for the Acquisition will initially be satisfied via the issue of 139,386,678 ordinary shares in Kedco (the “Ordinary Shares”) to Reforce. A further issue of 59,737,148 Ordinary Shares to Reforce will take place when Reforce obtains eight planning permissions for renewable energy projects from its project pipeline. The shareholders of Reforce have agreed to an orderly market arrangement in relation to the Ordinary Shares, which they will acquire for a period of twelve months from the date of issue.

Reforce shareholders will be issued with 19,912,383 warrants (the “Reforce Warrants”) to subscribe for Ordinary Shares. The Reforce Warrants will entitle holders to subscribe for new Ordinary Shares at a price of £0.016 and are exercisable at any time prior to the third anniversary of their issue.

Reforce is a renewable energy development company focused on small-scale renewable projects across various technologies. Reforce's key markets are the UK, Ireland and Northern Ireland, where it already has an active pipeline of over 60 projects, with a potential capacity of in excess of 40MW, at various stages of development. Reforce was founded by Steve Dalton and Tim O'Keeffe in 2011.

In the period from 18 February 2011 (the date of incorporation of Reforce) to 31 December 2011, Reforce incurred a loss before tax of €48,260. As at 31 December 2011, Reforce's net assets, which are recorded at their net book value for accounting purposes, totalled €400,343.

Kedco's consolidated financial statements for the year ending 30 June 2013 will include Reforce's financial performance from the date of completion of the Acquisition.

Steve Dalton, a director of Reforce will today join the Board of Kedco as an Executive Director. Mr Dalton was previously head of RBS Ulster Bank's project finance business in Ireland with specific responsibility for the financing of renewable energy projects. For over six years he led the financing of 35 renewable energy projects with a combined capacity in excess of 500MWs. He was a founder director of Reforce Energy Limited and Mexican Renewable Energy Limited, both renewable energy development companies.

As a result of the acquisition of Reforce Energy by Kedco, Mr Dalton will have an interest in 24,146,213 Ordinary Shares and 3,449,459 Reforce Warrants.

Further information on Mr Dalton is provided below.

Gerry Madden, CEO of Kedco, commented:

"We are very pleased to announce the completion of the acquisition of Reforce. The acquisition increases our pipeline of projects under development and adds depth to our management team. We are delighted to welcome Steve Dalton to the Board as an Executive Director. With his considerable experience in the renewable energy sector, he brings invaluable knowledge and expertise to assist with the Company's future growth and development. We feel strongly that bringing together both companies' experience in the renewable energy sector is an ideal match and enhances our aim of becoming one of the UK and Ireland's largest independent renewable energy companies."

Exercise of FBD Warrants

As detailed in Kedco's announcement of 27 November 2012, the Company's major shareholder, Farmer Business Developments plc ("FBD"), currently has 32,352,620 warrants (the "FBD Warrants"). As a result of the Acquisition, FBD will convert all of its FBD Warrants into Ordinary Shares on a one-for-one basis (the "Conversion").

Issue of Management Warrants

On 20 December 2012 the Board of Kedco agreed to grant warrants to Gerry Madden CEO of the Company, over a total of 30,000,000 Ordinary Shares (the "Management Warrants"). The purpose of the Management Warrants is to incentivise the CEO during a key phase in the development of the company. The Management Warrants are exercisable by Mr Madden at a price of £0.016 per ordinary share and are exercisable at any time prior to the third anniversary of their issue.

Interests in Kedco shares

Following the Acquisition and the Conversion, the following Kedco shareholders will have an interest in excess of 3 per cent. in the Ordinary Shares:

	Number of shares held	Percentage of issued share capital following the Acquisition and the Conversion
FBD	299,696,768	26.79
Edward Barrett	86,194,592	7.71
Ronan Barrett	65,207,621	5.83
John Barrett	53,092,933	4.75
Johnny Barrett	34,189,491	3.06

Pursuant to the Acquisition and the Conversion, an application will be made for the admission of 171,739,298 new Ordinary Shares in the Company to trading on AIM. The new Ordinary 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 new Ordinary Shares to trading on AIM is expected to occur on 28 December 2012.

As a result of the Acquisition and the Conversion, the total number of voting rights as at 28 December 2012 will increase to 1,118,502,058. 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.

Additional information on Mr Steve Dalton

Mr Steven Dalton, aged 34, is currently a director of Reforce Energy Limited, Reforce Energy (West) Limited, Mexican Renewable Energy Limited, SAAI Limited and Pluckanes Windfarm Limited. In the last five years he has held no other directorships.

There is no other information that is required to be disclosed under paragraph (g) of Schedule Two to the AIM Rules for Companies of the London Stock Exchange

- **Ends –**

For further information:

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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 is also currently engaged in the planning process for proposed renewable energy 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).

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