

**4 July 2011**

**Kedco plc**

**Strategic review and proposed disposal of Vudlande**

Kedco plc, ("Kedco" or the "Company") announces that it has recently undertaken a strategic review with the aim of refocusing its business portfolio to core activities and delivering cost savings by exiting non-core and non-profitable business segments. The Company intends to focus on the UK and Ireland, reduce its international presence and continue its disciplined reduction of non-core and non-profitable assets.

**Focus on waste to energy power generation**

The Company has recently exited from the domestic energy business and removed certain management costs from the organisation with the aim of creating a leaner, more efficient structure with a focus purely on the waste to energy power generation business.

In respect of the Company's biomass electricity and heat generating plant in Newry, Northern Ireland the Company is currently working toward satisfying pre-conditions in relation to a project finance facility from Ulster Bank Group, a subsidiary of the Royal Bank of Scotland plc, to provide secured debt facilities and is in the process of agreeing final legal documentation. The finalisation of commercial arrangements with one supplier has delayed the completion of final legal documentation. The Board expects this process to complete shortly.

In respect of the Company's proposed 12MW biomass electricity and heat generating plant in Enfield, London tenders are currently being prepared to source a suitable EPC Contractor for the proposed construction of the plant. The Company is continuing to progress potential projects through it's pipeline as previously announced.

**Vudlande**

On 5 July 2010 the Company announced that it has raised €3.2 million (£2.6 million) from the issue of 3,588,583 zero-coupon, secured loan notes (the "Loan Notes"). Under the Loan Note agreement, the Company granted the holders of the Loan Notes second-ranking security over its 80 per cent. interest in its Vudlande operation. The security is now capable of being enforced due to the delays in the finalisation of the Newry project referred to above and the Company has received notice from the trustee of the Loan Notes (the "Trustee") that it intends to enforce the security.

The Company, as part of the strategic review, was already considering seeking purchasers for its Vudlande operation as it was deemed non-core to the Company's focus on waste to energy generation. Under the terms of the Loan Note if the Company is successful in executing a sale of Vudlande, the proceeds of any such sale may first be applied in discharging its obligations under the Loan Note agreement and other senior lending facilities.

Any disposal of the Vudlande operation is likely to be subject to the approval Kedco shareholders.

- Ends -

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