

Kedco plc

("Kedco" or the "Company")

Update on Enfield Biomass CHP project

Kedco plc, (AIM:KED) the renewable energy developer and operator focusing on the production of clean energy in the UK and Ireland, is pleased to announce significant progress in relation to its 12MW Enfield Biomass combined heat and power ("CHP") project (the "Enfield Project") located in North London. In addition, the Company announces the appointment of N+1 Singer as equity adviser to the Company in respect of the Enfield Project and the receipt of a number of offers relating to its financing. The Enfield Project, which has 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, remains on track to reach financial close and start construction in the third quarter of 2013.

1. Enfield project finance

The Company has received a number of proposals regarding the provision of financing for the Enfield Project. The proposals are on a variety of terms and encompass funding the Enfield Project on either a combined debt and equity or pure equity basis.

In order to assist the Company in progressing the various proposals, Kedco is pleased to announce that it has appointed N+1 Singer as its equity adviser in relation to the Enfield Project. N+1 Singer is one of the top five Institutional Broking and Corporate Advisory teams in the UK with over 120 listed corporate clients. N+1 Singer's specialist Renewable Energy and Clean Technology team has advised on the raising of equity financing for a number of other renewable energy projects, notably the Helius Energy CoRDe biomass plant project.

This appointment is in line with Kedco's stated strategy of raising construction finance at the project special purpose vehicle ("SPV") level rather than through the quoted holding company, Kedco plc. The Company currently owns 100% of the share capital of Enfield Biomass Limited, the SPV for the Enfield Project.

The Company is also pleased to have received outline terms from a major UK bank for the provision of up to 70% of the total project cost. The terms provided are of an indicative nature only and are non-binding. The terms however are in line with management expectations. The Company is working with the bank to move towards a fully credit-approved term sheet and will provide a further update in this respect as appropriate.

2. Feedstock

Heads of terms have been received from two large feedstock suppliers for the provision of 100% of the feedstock required by the Enfield Project. The terms are in the process of being finalised and formal contracts are currently being drafted.

3. Power Purchase Agreement (“PPA”)

Headline terms have also been received from two major energy suppliers to purchase 100% of the electrical output from the Enfield Project over a long-term basis. A decision on the preferred PPA offtaker will be made by the Board shortly in consultation with the potential debt and equity funders.

4. Heat offtake agreement

Detailed discussions have taken place with a large multinational corporate to purchase 100% of the heat generated by the Enfield Project. Similar to the electricity offtake agreement, it is anticipated that this will be a long-term contract and heads of terms are currently being discussed.

The Company is aware of the Lee Valley Heat Network which is being developed by three London borough councils. The aim of the network is to provide a new city-scale decentralised energy network to capture affordable low carbon heat (hot water and steam) from Energy from Waste facilities and dedicated CHP plants.

5. Grid connection agreement

The Company has signed a grid connection agreement with UK Power Networks which will enable the project to connect into an existing electrical substation located in the Enfield area. A deposit has been paid by the Company to secure the grid connection offer and reserve the grid capacity. This represents another key milestone for the Enfield Project and eradicates any uncertainty regarding the ability to export to the national grid, the associated costs and the timing of delivery of the connection.

6. Biomass CHP solution provider

A final decision on the preferred provider of the biomass CHP solution will be made in consultation with the Enfield Project debt and equity funding partners. The intention is to appoint an owners engineer acting on behalf of the Enfield Project to assist with this process within the next month.

7. Plant output

The Company is also in discussions with Enfield Council regarding a proposed increase in the annual waste wood conversion capacity of the Enfield Project and a change in the configuration of plant building to accommodate such increase. Further updates will be provided in due course.

Gerry Madden, CEO of Kedco, commented: "The Company has a clear plan in place for the Enfield Biomass CHP project with the key objective being to reach financial close by Q3 2013. Given the flagship nature of the Project, which is located in the London area within the M25, the Company is pleased to have received numerous enquiries from various parties interested in participating in the Project, and we look forward to finalising this shortly.

"We are delighted to have appointed N+1 Singer as part of our project team and look forward to working with them over the coming months to secure the equity investment required for the Enfield Project and maximising the return to shareholders. Their experience and expertise in raising equity for similar projects will be of great assistance to the Company at this stage in its development.

"The Board is encouraged by the strong levels of interest shown by all of the various potential feedstock suppliers, electricity and heat off-takers in the Enfield Project and the project team is working to conclude all contractual arrangements in the near future."

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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 has a construction ready 800kW Wind project in County Cork in Ireland and is currently engaged in the planning process for proposed renewable energy projects in Rutland, East Anglia and Clay Cross, Derbyshire and for three Wind projects and two Solar projects on the island of Ireland.

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

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