

13 October 2011

Kedco plc

("Kedco" or the "Company")

Working capital facility

Kedco plc (LSE: KED.L), the cleantech group focusing on clean energy production in the UK, and Ireland is pleased to announce that it has secured a second €1,200,000 facility to assist its short-term working capital requirements (the "Facility") from its major shareholder, Farmer Business Developments plc ("FBD").

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

The key terms of the Facility are as follows:

- quantum of €1.2 million, of which €200,000 has already been drawn with the balance to be drawn by February 2012;
- interest rate of 10% per annum on outstanding capital balances, such interest to be accrued to 1 April 2012;
- the drawn-down proportion of the Facility may be converted at any time by FBD into ordinary shares in Kedco ("Ordinary Shares"). 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 can convert any proportion of the Facility into Ordinary Shares so long as its resultant holding does not exceed 29.9% of Kedco's issued share capital; and
- from 1 April 2012, FBD may either require the drawn down proportion of the Facility plus accrued interest to be repaid or extend the Facility.

In consideration for providing the Facility, FBD will receive warrants to subscribe for up to 7.2 million Ordinary Shares. The warrants have an exercise price of 3 pence and can be exercised at any time up to four years from the date of their issue. However, similar to the terms of the Facility, FBD cannot exercise warrants which would result in FBD holding in excess of 29.9% of Kedco's issued share capital

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.

For additional information please contact:

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