

## February Trading Update

RNS Number : 2521H

Kedco PLC

17 February 2010

Kedco plc ("Kedco" or the "Company")

Trading update

The board of Kedco provides the following update in relation to the development of its gasification project located in Newry, Northern Ireland.

On 8 December, the Company announced that it had signed a joint venture agreement in relation to a 4 megawatt gasification project in Newry. The project was estimated to have a total financing cost of £15 million with £5 million to be met by Kedco and the balance to be met by bank debt.

The Company is in continued discussions with potential funders around the provision of bank debt for the Newry project however to date, Kedco has been unable to secure financing on suitable terms. Due to the lack of debt finance, the board does not currently expect to commission the Newry plant in the current financial year to 30 June 2010.

As Kedco has incurred significant costs in relation to the Newry project, it continues to seek funding from potential investors. The board is currently engaged in discussions with a number of different parties around the potential investment of equity and/or debt finance into the Company. The board is confident that suitable investment will be secured however, it acknowledges that there can be no guarantee such investment will be forthcoming. In the absence of suitable investment in the short-term, the board would pursue alternative means of maintaining adequate cash reserves including management of its working capital position.

A further update in relation to its financing will be made in due course.

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