

**Kedco plc**

("Kedco" or the "Company")

**Placing to raise £403,000**

**Kedco adds additional equity funding to its recent debt financing**

Kedco plc, (AIM:KED) the waste to energy group focusing on the production of clean energy in the UK and Ireland, is pleased to announce that it has secured approximately £403,000 (gross) through a placing of 31,000,001 new ordinary shares at an issue price of 1.3p per ordinary share, with a number of investors (the "Placing").

The proceeds of the Placing will be used for working capital purposes and for continuing investment in the Company's portfolio of biomass electricity and heat generation projects.

The Company also announces that it has allotted 8,801,259 new ordinary shares in the Company at 1.775 pence per share (being the average of the mid-market price for the 10 business days immediately preceding the date of the notice of conversion), to its 22.14% shareholder Farmer Business Developments plc ("FBD") as a result of FBD exercising its right of conversion under its February 2011 Euro 1,200,000 10% Convertible Loan Note. Following the Placing and after the exercise of the conversion right, FBD's holding will remain at 22.14% of the ordinary shares of the Company. Such conversion is conditional on the placing shares being admitted to AIM. These shares are included in the application for admission referred to below.

On 9 January 2012, Kedco announced that pursuant to the facilities agreement between Newry Biomass Limited ("NBL") and Ulster Bank Group ("Ulster Bank"), a subsidiary of the Royal Bank of Scotland plc, NBL has subsequently initiated its first drawdown under the agreement. Kedco now has access to the financing to complete the Newry Plant.

The Company estimates that the plant, once commissioned in full, will sell approximately 29 million Kwh per annum of renewable energy to the electricity grid in Northern Ireland.

The plant is expected to generate EBITDA of approximately £1.9 million per year once fully commissioned.

Pursuant to the Placing, an application will be made for the admission of 39,801,260 Placing Shares to trading on AIM. The Placing 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 Placing Shares to trading on AIM is expected to occur on 9 February 2012.

As a result of the Placing, the total number of voting rights as at 9 February 2012 will increase to 295,083,146. 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.

Gerry Madden, CEO of Kedco, commented: "We are pleased to announce the close of this successful fundraising. Despite the challenging economic environment, the Board is encouraged by the increasing level of financial support given to our business through debt and equity. The backing from Ulster Bank, in addition to the new and existing equity investors, enables us to continue to advance our other projects as we progress towards initial commissioning of the first 2MW capacity of our plant in Newry by Q2 2012. We look forward to providing the market with further updates across our pipeline of waste to energy projects."

**- Ends -**

**For further information:**

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