

Interim Results

23 March 2009

Kedco plc

("Kedco" or the "Company")

Interim results for the six months ended 31 December 2008

Kedco plc, an Irish-based energy group focusing on green energy production in the UK, Ireland and Eastern Europe, announces today its interim results for the six months ended 31st December 2008.

Highlights

Operational

- Significant progress made towards the Company's objective of commencing electricity generation in 2009.
- Two 2MW gasification units together with gas conversion engines ordered from preferred suppliers in the US and Europe and are expected to be commissioned in 2009.
- Offer received from Latvian Government to supply 4MW of electricity from Vudlande plant with potential revenues of €24 million over a five-year initial term (based on an indicative price of €150 per MWh).
- 25 identified projects of which 12 have non binding Letters of Intent ("LoI") with potential aggregate capacity of 48MW.
- Of these LoI's :
 - 5 are in early stages of the planning and permitting process
 - 3 are in advanced stages of planning and permitting
 - 2 are in advanced planning stages with equipment ordered

Financial

- Revenues of €3.2 million in line with expectations.
- Loss (excluding one-off listing costs) for the period reduced to €2.1 million representing a 20 per cent. improvement on the prior year comparable period (2007 loss: €2.6 million).
- Additional capital of €967,556 (before expenses) sourced from a variety of institutional investors in February 2009.
- Total cash of €1.7 million at the period end

Donal Buckley, Chief Executive of Kedco, commented:

"We are extremely pleased with the progress we have made on our project pipeline of which nearly half have signed, non-binding, letters of intent in place. This was a key objective of the Board and we intend to convert the majority of these into electricity generating plants in the medium-term.

"As well as significant progress with our pipeline of projects, we also admitted the Company's shares to trading on AIM in October 2008, which we believe is a significant step in taking the business to the next stage in it's development.

The Board of Kedco looks forward to the next year with confidence and excitement."

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Chairman's Statement

I am delighted to report another period of solid progress for Kedco. Since our admission to the Alternative Investment Market of the London Stock Exchange in October 2008 we have made significant advances in developing and implementing our strategy to deliver shareholder value from the sale and operation in partnership of biomass waste-to-energy power plants.

Kedco acts as a platform-provider, sourcing waste-to-energy technologies for sale to a customer base that includes medium-sized waste operators, food companies, agricultural operators and local municipal authorities. We partner with our customers to own and operate electricity generating plants, utilising our customers' waste as feedstock. In this way, the environmental and financial costs relating to waste disposal are alleviated. We use two tried and tested technologies, being gasification of wood and wood waste and anaerobic digestion of either food or agricultural waste, to convert the waste into renewable energy.

The alternative energy sector is currently being driven by regulation and legislation and we believe that the new UK Energy bill will create additional opportunities for Kedco when it comes into effect on 1 April 2009. In our view, the most significant change to the regulatory regime is the shift to differing levels of Government incentive dependent on the renewable technologies utilised. We are delighted that the waste-to-energy sector will receive a doubling of such incentives.

We have continued to progress those projects for which we had signed, non-binding letters of intent at the time of our admission to AIM. In respect of the two most advanced projects, we have entered into partnership contracts with two medium-sized waste operators with the intention of building and operating plants which will convert wood waste into electricity using gasification technology. The gasification technology in respect of these projects has been ordered and we intend it to be installed and operational in 2009.

I would like to thank all Kedco employees for their continued commitment and achievements, especially over the past nine months. I would also like to thank the growing number of shareholders for their continuing interest and ongoing support of Kedco plc.

William Kingston

Chairman

Chief Executive's Report

Operational review

In the six months to 31 December 2008 the performance of the Company was in line with our expectations.

We have made significant progress in our objective of commencing the generation of electricity in the second half of 2009 and currently have 12 non-binding, signed letters of intent in place with potential partners.

Two 2MW gasification units together with gas conversion engines have been ordered from our preferred suppliers in respect of our two most imminent projects. It is intended that these plants will be commissioned over the coming months. Partnership agreements have been signed with the respective customers and the remaining legal agreements are currently being finalised.

In respect of these and three other projects, we are engaged in the final stages of the planning process. The three other projects utilise anaerobic digestion technology.

An additional five letters of intent were announced to the market on 17 March 2009 and relate to projects that are at a relatively early stage of contract negotiation and planning.

In total, these 12 LoIs have a potential aggregate capacity of 48MW. The 25 specific opportunities identified at the time of our admission to AIM, of which the 12 LoIs form a part, have a potential aggregate capacity of 102MW.

We also announced on 17 March 2009 that the Latvian Government had offered Kedco an initial five-year contract to supply 4MW of electricity generated from biomass renewable sources. It has always been the Board's ambition to build a gasification plant on this site and the contract will allow Kedco to sell the electricity it generates at a variable price referenced to the prevailing wholesale gas price. The Board estimates that the project could generate up to approximately €24m in revenues over the initial term (based on an indicative price of €150 per MWh). We are currently considering the financing and timing implications of the project and will make a further announcement in due course.

The current economic climate has been challenging for Kedco Energy where we supply biomass boilers to domestic and commercial markets and produce and sell wood and other biomass products. We have experienced encouraging demand for our boilers albeit that this has tended to be in respect of our products for the domestic market which have a lower retail value than commercial market products. However, the increased demand for domestic boilers has been offset by reduced demand for our wood and biomass products where market conditions remain challenging.

The market conditions, together with our increased focus on the activities of the Kedco Power division, has led to a decline in revenues in line with our expectations.

Financial review

Revenues in the first half to 31 December 2008 related entirely to the Kedco Energy division and decreased to €3,220,751, a reduction of 20 per cent. when compared with the corresponding period for the prior year. The loss for the period was €3,029,830 (2007: €2,611,997) which included one off listing costs of €946,024. This loss includes costs that reflect the Company's continued use of resource to grow and execute the electricity generating business in line with the Company's stated strategy.

We continue to manage our financial resources prudently. Cash and bank balances at the period end were €1.7m. This balance is stated after paying deposits of approximately €2.7m to suppliers of gasification units. On 20 February 2009 the Company raised €967,556 before expenses from a variety of institutional investors.

Outlook

We believe that the outlook for Kedco in the waste-to-energy market is extremely positive. The twin drivers of regulation in relation to waste disposal and legislation in relation to the generation of renewable electricity, could significantly enhance the performance of the Company in the future.

Looking forward to the remainder of the year, we consider the main areas of uncertainty to be the continued effect of the downturn in the global economy on Kedco Energy's trading activities and the impact of the tightening in credit markets on the cost and availability of finance for new projects. With this in mind the business has continued to exercise tight control over its cost base.

We are engaged with a select number of partners in the waste-to-energy sector. I am confident that we are on course to execute commercial agreements with these partners and to build electricity generating plants which will enhance Kedco shareholder value.

The Board' and management of Kedco looks forward to the future with confidence and excitement.

Donal Buckley

CEO

Independent Review Report to Kedco plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in

the half-yearly financial report for the six months ended 31 December 2008 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the condensed set of financial statements.

This report is made solely to the company, in accordance with the International Standard on Review Engagements, 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Listing Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the

Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Review Report to Kedco plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with International Accounting Standards 34 as adopted by the European Union and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

DELOITTE & TOUCHE

Chartered Accountants and Auditors

Cork

Ireland

Date: 20th March 2009

Note: A review does not provide assurance on the maintenance and integrity of the website,

including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

(3,029,830)

(2,611,997)

Attributable to:

Equity holders of the parent

(2,989,249)

(2,642,702)

Minority interest

(40,581)

