

Keydata Income VCT 1 plc and Keydata Income VCT 2 plc Trading Update

The Boards of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc ('the Companies') are pleased to announce the following update.

Following the appointment of Foresight Group ('Foresight') as investment adviser to the Boards of both companies on 11 June 2009, the Boards and Foresight have been working extensively on extracting value from the Companies' existing investments, namely the constituent parts of the renewable energy project in St Helens.

The Companies disclosed in their annual report and accounts published on 27 May 2009, that the main contractor had notified them that it was not able to complete the construction of the project due to funding problems and that the Boards were reviewing various options including terminating contracts with the contractor, pursuing a legal claim for damages, the use of an alternative contractor and the sale of the investments.

Working closely with Foresight and benefiting from its experience in environmental infrastructure, and specifically its involvement in investments in generating heat and power from biomass plants, the Boards with Foresight have instigated a course of action that has addressed the unresolved issues noted above and extant at the time Keydata Investment Services was placed into administration.

In summary the Companies have:

- Terminated all contracts involved with the renewable energy project in St Helens, including that of the main contractor;
- Removed all of the assets, to which the Companies now hold absolute title, and delivered them to a secure off-site location;
- Received independent confirmation of the underlying values of the assets held by the Companies; and
- Implemented a plan that should preserve the ongoing tax status of the Companies.

In addition to the actions referred to above, discussions are moving forward with respect to a possible merger of the Companies with an existing VCT within the stable of four Foresight VCTs. The progress of the merger is likely to accelerate in the coming weeks and months. As previously disclosed, such a merger would be subject to the approval of the shareholders of Keydata Income VCT 1 plc, Keydata Income VCT 2 plc and the relevant Foresight VCT and would assist the Companies' shareholders in obtaining greater exposure to a wider range of unquoted investments, generate additional cost savings and result in greater liquidity in the Companies' shares.

Foresight Fund Managers Limited, a wholly owned subsidiary of Foresight Group, has assumed full responsibility for the secretarial and administration functions of the Companies and there are now no areas of the management, treasury or administration functions reliant on Keydata Investment Services.

As at today's date, the Companies incorporating the underlying investments, following the termination of the contracts referred to above, have £2.4m of net cash in hand, which will be used to progress the new strategy with a view to maximising future value for shareholders. The Boards are encouraged by the independent asset valuations received, but are cognisant that securing the optimal value for the assets will only be achieved through a successful sales process, which would entail the utilisation of the Companies' biomass assets for their originally intended purpose.

Further updates on the Companies will be provided as and when further information becomes available.

For enquiries or further information please contact:

Foresight Group

01732 471 800