

Keydata Income VCT 1 plc and Keydata Income VCT 2 plc

Strategic development agreement of up to 10MW of electricity generation

26th March 2010

The boards of both Keydata Income VCT 1 plc and Keydata Income VCT 2 plc (“the Boards”) are pleased to announce the following significant development in regards to the redeployment of the assets held by both Keydata Income VCT 1 plc and Keydata Income VCT 2 plc.

As previously indicated, following the termination of the contracts with Centralgrange Environmental Waste Limited in August 2009, the biomass-energy assets owned by the portfolio companies were removed to secure offsite storage. The Boards have now agreed a strategic partnership with O-Gen UK Limited, a company with specialist waste-to-energy skills whose sister company, O-Gen Acme Trek Limited has an existing 3MW electricity generating plant in Stoke on Trent, based on the gasification of waste wood. O-Gen UK have particular expertise in the preparation of waste wood material, planning and advanced thermal treatment and gas conditioning, with the Stoke facility being the first of its type in the UK to secure Ofgem certification.

The strategic partnership with O-Gen UK is for the development of up to 10MW of energy assets in the Midlands region over the next 3 years, with the first facility to be located in Derby where planning permission has been secured. It is anticipated that further planning permissions acquired from O-Gen UK will be part of this strategic development. The portfolio companies have selected and will appoint independent engineering contractors to manage the engineering design and construction phases.

The directors of the two Keydata Income VCTs are pleased to announce that two independent directors have been appointed to the boards of the portfolio companies to manage and review the progress of the companies; Alan Wilson and Raymond Spencer. Alan Wilson is an experienced company director and currently also finance director of Lynwood Group Holdings Ltd, a waste plastics recycling company. Raymond Spencer is an experienced finance director in private and listed biotech companies and is currently chief financial officer of AIM listed, Summit Corporation plc and co-founder/director of MGB Biopharma Ltd.

The Boards are committed to creating value for shareholders following the termination of the St. Helens project. Through the strategic partnership, available planning permissions and technical expertise within O-Gen UK and independent engineering resources, the portfolio companies now plan to commence operation of their first wood-waste to energy facility prior to the end of 2010. The Boards have been focused on developing the strategic partnership with O-Gen UK referred to above and intend to build on the good progress made to date with a proposed VCT merger.

The Boards intend to provide a further update during the course of May 2010

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