



Rurelec PLC
("Rurelec" or "the Company")

Result of AGM and Companies House filing

The Board of Rurelec is pleased to announce that all the resolutions put to shareholders at the Company's Annual General Meeting held in London today were duly passed.

The Company today filed unaudited Interim Accounts at Companies House in advance of approving the dividend, in compliance with section 838 of the Companies Act 2006 (the "Act"). The unaudited Interim Accounts for the period ending 17th July 2008, which are reproduced in the annexe to this announcement, relate only to Rurelec PLC as an entity and are not consolidated accounts. The requirement to demonstrate that the Company has sufficient reserves to make the dividend payment is set out in sections 836 and 838 of the Act.

The Group's consolidated results for the half-year to 30 June 2008, pursuant to rule 18 of the AIM rules, will be released in due course and no later than 30 September 2008.

For further information please contact:

Rurelec PLC
Peter Earl, Managing Director

Tel. 020 7793 5610

Daniel Stewart & Company
Paul Shackleton/ Stewart Dick

Tel: 020 7776 6578

Parkgreen Communications
Sue Scott/Ana Ribeiro

Tel: 020 7933 8780

RURELEC PLC

PROFIT AND LOSS ACCOUNT (unaudited)

FOR THE PERIOD ENDED 17 JULY 2008

	Notes	Period ended 17 July 2008 £	Year ended 31 Dec. 2007 £
Revenue		1,250,000	-
Cost of sales		(673,000)	-
Gross profit		<u>577,000</u>	-
Administrative expenses		(496,808)	(891,970)
Operating profit / (loss)		<u>80,192</u>	(891,970)
Investment income	2	1,818,646	1,737,721
Finance income	2	38,994	61,203
Finance expense	3	(111,604)	(1,961)
Profit before taxation		<u>1,826,228</u>	<u>904,993</u>
Tax expense	4	(233,072)	(217,215)
Profit for the period / year	11	<u><u>1,593,156</u></u>	<u><u>687,778</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

RURELEC PLC

BALANCE SHEET (unaudited)

AS AT 17 JULY 2008

	Notes	2008		31 December 2007	
		£	£	£	£
Non-current assets					
Investments	6		17,437,929		3,776,692
Trade and other receivables	7		27,760,814		22,142,924
			<u>45,198,743</u>		<u>25,919,616</u>
Current assets					
Trade and other receivables	8	1,498,193		36,704	
Cash and cash equivalents		3,924,907		1,517,824	
		<u>5,423,100</u>		<u>1,554,528</u>	
Creditors: amounts falling due within one year	9	(14,818,603)		(1,289,060)	
Net current (liabilities) / assets			<u>(9,395,503)</u>		<u>265,468</u>
Total assets less current liabilities			<u>35,803,240</u>		<u>26,185,084</u>
Capital and reserves					
Share capital	10		1,715,776		1,465,776
Share premium account	11		31,757,739		23,982,739
Retained earnings	11		2,329,725		736,569
Shareholders' funds	12		<u>35,803,240</u>		<u>26,185,084</u>

Approved by the Board and authorised for issue on 17 July 2008 and signed by:

E R Shaw
Director

F G Fisher III
Director

RURELEC PLC

CASH FLOW STATEMENT (unaudited)

FOR THE PERIOD ENDED 17 JULY 2008

	Notes	£	Period ended 17 July 2008 £	£	Year ended 31 Dec. 2007 £
Cash flows from operating activities					
Cash used in operations	13		(1,137,317)		(846,014)
Interest received			38,851		61,203
Interest paid			(111,461)		(1,961)
Tax paid			(5,740)		-
			<hr/>		<hr/>
Net cash used in operations			(1,215,667)		(786,772)
Cash flows from investing activities					
Dividend received (net of tax)		1,591,314		1,520,506	
(Loans to) / repayment by subsidiaries and joint venture company		(2,462,482)		368,256	
Purchase of balance of 50% of PEL	6	(13,661,237)		-	
		<hr/>		<hr/>	
Net cash (used in) / generated from investing activities			(14,532,405)		1,888,762
			<hr/>		<hr/>
Net cash (outflow) / inflow before financing activities			(15,748,072)		1,101,990
Cash flows from financing activities					
Issue of shares (net of costs)		8,025,000		2,779,675	
Loan drawdowns / (repayments)		2,616,459		(817,293)	
Vendor loan / deferred consideration	6	7,513,696		-	
Equity dividend paid		-		(1,612,997)	
		<hr/>		<hr/>	
Net cash generated from financing activities			18,155,155		349,385
			<hr/>		<hr/>
Increase in cash in the period			2,407,083		1,451,375
			<hr/>		<hr/>
Cash and cash equivalents at start of period / year			1,517,824		66,449
			<hr/>		<hr/>
Cash and cash equivalents at end of period / year			3,924,907		1,517,824
			<hr/> <hr/>		<hr/> <hr/>

RURELEC PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 17 JULY 2008

1 Basis of preparation

1.1 These unaudited Interim Accounts have been prepared for the purposes of Section 838 of the Companies Act 2006.

1.2 These unaudited Interim Accounts do not constitute Statutory Accounts within the meaning of Section 447 of the Companies Act 2006. Statutory Accounts for the year ended 31 December 2007 have been filed with the Registrar of Companies. The auditors have made a report on those Statutory Accounts under Section 235 of the Companies Act 1985. The auditors' reports were unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.

1.3 The accounting policies which have been applied are consistent with the accounting policies set out in the Rurelec PLC consolidated financial statements for the year ended 31 December 2007.

2 Investment and finance income	2008	2007
	£	£
Income from shares in group undertakings	1,818,646	1,737,721
Bank interest	38,994	61,203
	<u>1,857,640</u>	<u>1,798,924</u>
	<u><u>1,857,640</u></u>	<u><u>1,798,924</u></u>
3 Finance expense	2008	2007
	£	£
On loans wholly repayable within five years	111,461	-
Other interest	143	1,961
	<u>111,604</u>	<u>1,961</u>
	<u><u>111,604</u></u>	<u><u>1,961</u></u>
4 Tax expense	2008	2007
	£	£
U.K. corporation tax	5,740	-
Bolivian withholding tax on dividend received	227,332	217,215
	<u>233,072</u>	<u>217,215</u>
	<u><u>233,072</u></u>	<u><u>217,215</u></u>
5 Dividends	2008	2007
	£	£
Final dividend for the year ended 31 December 2006 paid in June 2007	-	1,612,997
	<u><u>-</u></u>	<u><u>1,612,997</u></u>

RURELEC PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 17 JULY 2008

6 Investments

	2008 £	2007 £
Investments in subsidiary companies	17,437,929	292,112
Investments in joint venture company	-	3,484,580
	<u>17,437,929</u>	<u>3,776,692</u>

The Company holds the following investments:

i) 100% of the issued share capital of Energia para Sistemas Aislados S.A., a company registered in Bolivia under registration number 107752.

ii) 100% of the issued share capital of Bolivia Integrated Energy Limited (BIE), a company registered in the British Virgin Islands under registration number 510247. BIE owns, through an intermediary holding company, 50.00125% of the issued share capital of Empresa Electrica Guaracachi S.A., a company registered in Bolivia.

iii) 100% of the issued share capital of Patagonia Energy Limited (PEL), a company registered in the British Virgin Islands under registration number 620522. PEL, together with a wholly owned intermediary company, owns 100% of the issued share capital of Energia del Sur S.A., a company registered in Argentina. At 31 December 2007, the company owned 50% of PEL. The remaining 50% was acquired by the company on 25 June 2008 at a cost of \$25m of which \$12m was paid on completion, with a further payment of \$3m due three months after completion and the final \$10m due one year after completion.

7 Trade and other receivables (non-current)

	2008 £	2007 £
Amounts owed by subsidiary companies	27,760,814	21,696,696
Amounts owed by joint venture company	-	446,228
	<u>27,760,814</u>	<u>22,142,924</u>

The amounts owed by subsidiary companies are unsecured and receivable on demand but are not expected to be fully received within the next twelve months.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 17 JULY 2008

8	Trade and other receivables (current)	2008	2007
		£	£
	Trade receivables	1,468,750	-
	Other receivables	4,235	7,531
	Prepayments	25,208	29,173
		<u>1,498,193</u>	<u>36,704</u>
		<u><u>1,498,193</u></u>	<u><u>36,704</u></u>
9	Creditors: amounts falling due within one year	2008	2007
		£	£
	Trade payables	128,878	117,468
	Taxes and social security costs	226,531	9,116
	Borrowings	14,411,193	1,112,145
	Accruals and deferred income	52,001	50,331
		<u>14,818,603</u>	<u>1,289,060</u>
		<u><u>14,818,603</u></u>	<u><u>1,289,060</u></u>

Borrowings comprise short term loans repayable within 12 months. Included within borrowings is an amount of £10,669,103 payable in respect of the company's acquisition of the remaining 50% of Patagonia Energy Limited (PEL), of which £7,513,696 relates to deferred consideration (see note 6) and £3,155,407 relates to loans to PEL acquired from the vendor.

10	Share capital	2008	2007
		£	£
	Authorised		
	120,000,000 Ordinary shares of 2p each	<u>2,400,000</u>	<u>2,400,000</u>
		<u><u>2,400,000</u></u>	<u><u>2,400,000</u></u>
	Allotted, called up and fully paid		
	85,788,775 Ordinary shares of 2p each	<u>1,715,776</u>	<u>1,465,776</u>
		<u><u>1,715,776</u></u>	<u><u>1,465,776</u></u>

The company issued 12,500,000 ordinary 2p shares at 65p per share on 25 June 2008. The excess over the par value has been credited to the share premium account.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 17 JULY 2008

11 Statement of movements on reserves

	Share premium account	Retained earnings
	£	£
Balance at 1 January 2008	23,982,739	736,569
Profit for the period	-	1,593,156
Premium on shares issued during the period	7,775,000	-
	<u>31,757,739</u>	<u>2,329,725</u>
Balance at 17 July 2008	<u><u>31,757,739</u></u>	<u><u>2,329,725</u></u>

12 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit for the period / year	1,593,156	687,778
Equity dividend paid	-	(1,612,997)
	<u>1,593,156</u>	<u>(925,219)</u>
Proceeds from issue of shares	8,025,000	2,779,675
	<u>9,618,156</u>	<u>1,854,456</u>
Net addition to shareholders' funds	9,618,156	1,854,456
Opening shareholders' funds	26,185,084	24,330,628
	<u>35,803,240</u>	<u>26,185,084</u>
Closing shareholders' funds	<u><u>35,803,240</u></u>	<u><u>26,185,084</u></u>

13 Net cash flow from operating activities

	2008	2007
	£	£
Result for the period / year before tax	1,826,228	904,993
Net finance costs	72,610	(59,242)
Adjustments for:		
- Dividend received (net of tax)	(1,591,314)	(1,520,506)
- Tax withheld on dividend	(227,332)	(217,215)
Movement in working capital:		
- Change in trade and other receivables	(1,461,489)	34,155
- Change in trade and other payables	243,980	11,801
	<u>(1,137,317)</u>	<u>(846,014)</u>
Cash used in operations	<u><u>(1,137,317)</u></u>	<u><u>(846,014)</u></u>