Prince Consort House
27-29 Albert Embankment
London SE1 7TJ, England
Tel: +44 (0)20 7793 5610
Fax: +44 (0)20 7793 7654
www.rurelec.com

30th May 2014

Rurelec PLC

("Rurelec" or "the Company")

Signature of Final Agreement Signed in Cochabamba Releases Payment from Bolivia

Rurelec PLC, the developer, owner and operator of power plants internationally, announces that it has signed a final agreement with the Plurinational State of Bolivia which releases an immediate compensation payment of funds to the Company. Bolivia will today initiate the transfer of US $31.534 million in full and final settlement of all liabilities to Rurelec.

The agreement was signed in Bolivia by the Minister of Hydrocarbons and Energy, Juan Jose Sosa, and the General Manager of ENDE, Arturo Iporre, in the presence of Hector Arce, the Attorney General of Bolivia.

The compensation payment comes four years after Bolivia nationalised Rurelec's controlling stake in Empresa Guaracachi SA.

Immediately after the signing, the following statement was issued by Peter Earl, CEO of Rurelec, to the assembled Bolivian Press in Cochabamba:

"As Chief Executive of Rurelec, I would like to congratulate President Morales and the negotiating team led by Procurador Hector Arce in arriving at a financial compensation deal which is very good indeed for Bolivia. ENDE has acquired a controlling stake in Guaracachi for US $31.5 million dollars.

Guaracachi is a wonderful company with the largest market share in Bolivia and a collection of the best gas turbines and engines in the world including the country's first combined cycle plant, which I had the personal privilege to initiate.

Rurelec has always been a strong supporter of Bolivia. Under the presidency of Evo Morales we constructed over 170 MW of new capacity when all the other private sector generators refused to install even one MW. We are proud that our investment in Bolivia since 2006 ensured the uninterrupted growth of Bolivia and has contributed to the amazing success of Bolivia today as the continent's highest growth economy.

Bolivia is a country of talented people and great natural resources. I am personally proud that over the last twenty one years of coming to Bolivia,

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originally with UNDP and later as CEO of Rurelec, that Bolivia has prospered and is a far stronger, more respected country than it was in 1993.

My only sadness is that it has taken so long to reach a settlement for the nationalisation of Rurelec's shares in Guaracachi. I support the right of every country to nationalise strategic assets. However to treat loyal supporters of the Morales Revolution with the bad treatment we have experienced over the last four years is unfair. We have received compensation of less than two times EBITDA and, before the arrival of Procurador Arce, we had no alternative but to go to international arbitration when all we wanted was a friendly negotiation and a handshake from President Morales. We are not enemies of Bolivia but friends. However at times we have not been treated that way, and my shareholders in Britain will take a great deal of convincing before they invest any money in Bolivia in future.

Nonetheless, I wish Bolivia well. Britain helped Simon Bolivar to achieve victory in the struggle against colonial oppression. Britain remains a close friend of Bolivia today. I hope that in future I and my hard working team of Britons and Bolivians working together to expand the power system of this wonderful country will come to be regarded as friends and loyal supporters who contributed to the economic success story of the Morales Presidency."

- Ends –

For further information please contact log on to our website www.rurelec.com or contact:

Peter Earl, CEO, Rurelec PLC Ana Ribeiro, Head of Communications	Tel: 020 7793 5610
Paul Shackleton & David Hart Daniel Stewart & Company Plc	Tel: 020 7776 6550
James Joyce and Nick Field W.H. Ireland	Tel: 020 7220 1666