Company Number: 04812855

RURELEC PLC

(the "Company")

NOTICE is hereby given that an Extraordinary General Meeting of the above-named Company will be held at Prince Consort House, 27-29 Albert Embankment, London on 19 July 2004 for the purpose of considering, and if thought fit, passing the following Resolutions:

ORDINARY RESOLUTIONS

1. THAT subject to the admission (the **"Admission"**) of the ordinary shares of £0.02 each in the capital of the Company to trading on AIM, a market of the London Stock Exchange plc:

   a. the authorised share capital of the Company be increased from £250,000 to £600,000 by the creation of an additional 17,500,000 ordinary shares of £0.02 each;

   b. the Directors be authorised, generally and unconditionally for the purpose of section 80 of the Companies Act 1985 (the **"Act"**) to allot relevant securities (as defined in section 80(2) of the Act) up to a maximum aggregate nominal amount of £83,800 provided that this authority shall expire on the earlier of the first anniversary of the passing of this resolution and the conclusion of the next annual general meeting of the Company but on the basis that the Company may before such expiry make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

2. THAT the Directors be generally empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) out of any relevant securities (as defined in section 80(2) of the Act) which from time to time they are authorised to allot as if section 89(1) of the Act did not apply to such allotment:

   i) in connection with the proposed issue of 2,500,000 ordinary shares of £0.02 each to be issued in connection with the Placing as defined in the admission document issued in connection with the Admission;

   ii) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities (as so defined) in proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights

attaching to them (but with such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, record dates or other legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or as regards shares held by an approved depository or in issue in uncertificated form);

iii) the allotment of equity securities in connection with the exercise of warrants granted under the terms of the warrant instruments approved by a resolution of the Board passed today; and

up to a maximum aggregate nominal amount of £12,500 for any other purpose,

provided that the authority contained in this resolution shall expire on the earlier of the anniversary of the passing of this resolution and the conclusion of the next annual general meeting of the Company but on the basis that the Company may before such expiry make an offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the authority conferred by this resolution had not expired.

3. THAT the appointment of Francis Mattos, aged 72, as a Director of the Company be and it is approved and that Mr Mattos's appointment as a Director be ratified of the Company with immediate effect.

By Order of the Board

Susan A Laker
Company Secretary

Registered Office

5th Floor Prince Consort House
27-29 Albert Embankment
London SE1 7TJ

19 July 2004