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Rurelec PLC

("Rurelec" or the "Company")

Update regarding Energia del Sur, S.A. and General Update

Update regarding Energia del Sur, S.A.

Further to the announcement of 24 September 2018, the Directors of Rurelec PLC (AIM: RUR), have been informed by the management of Energia del Sur S.A. ("**EdS**"), which owns and operates the 136 MW Southern Patagonian CCGT power plant in Argentina, that the major overhaul of the steam turbine has now been completed, and the combined cycle plant is now fully operational and available for dispatch.

The final total cost of the overhaul maintenance amounted to US $6 million which has been financed by a loan from CAMMESA.

Following the return to full power generation by the EdS plant, the management of EdS have indicated that in late January 2019 they expect to resume making lump sum repayments of the outstanding amounts due to Rurelec Project Finance Limited ("RPFL"). They have informed Rurelec that it is their intention to repay that loan in full during 2019. At 31 December 2018 there was US $1.44 million of outstanding capital to be repaid on this loan. After RPFL's debt has been repaid it is expected that EdS will commence repayment of other debts owed to Rurelec and Patagonia Energy Limited.

General Update on loan repayments

The remaining temporary loan facilities provided by Bridge Properties (Arena Central) Limited amount to £1.2 million and that after the previously announced £400k interest payment made on 28 December 2018, there was no interest outstanding at 31 December 2018. The facilities are due on 30 June 2019. Rurelec envisages resuming capital repayments to BPAC in the first few months of 2019.

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