

Rurelec plc

("Rurelec" or "the Company")

Loan Repayment

24th July 2007

The Board of Directors announces the repayment of the remaining LIBOR+5 per cent. loan notes 2011 issued in connection with the Group's acquisition of Empresa Guaracachi S.A. ("Guaracachi") in January 2006. The payment to Southern Integrated Energy Limited, a wholly-owned subsidiary of the Independent Power Corporation plc, a company controlled by Rurelec's Managing Director, Peter Earl, consists of US\$2,000,000 of principal plus interest to date, amounting to a total of approximately £1.2m. The Directors of Rurelec, other than Peter Earl, having consulted Daniel Stewart & Co, Nominated Adviser consider that the terms of the repayment are fair and reasonable insofar as shareholders are concerned.

For further information, please contact:

Peter Earl

Managing Director Tel. 020 7793 5610

Rurlec plc

Nominated Adviser:

Daniel Stewart & Company plc Tel. 020 7776 6550

Stewart Dick