

22<sup>nd</sup> December 2008

**Running River PLC ('Running River' or 'the Company')**  
**Interim Results**

Running River PLC, the PLUS-quoted company formed to invest in the renewable energy sector, announces its results for the six months ended 30 September 2008.

**Chairman's Statement**

I am pleased to report our interim numbers which cover the six month period ended 30 September 2008.

During the period under review, the Company has continued to keep overheads relatively low and the directors have received limited remuneration. Some additional cost has arisen as a result of undertaking due diligence and negotiating the acquisition of Mountain Energy Corporation Limited ('MEC'). Accordingly the Company is reporting an operating loss of £66,564, reduced to a net loss of £52,664 after crediting interest received.

At 30 September 2007, Running River held cash and cash equivalents of £524,351. During the period under review the Company raised £146,350 before expenses by way of a placing of 11,708,000 shares in a placing.

In addition to trying to resolve the position with MEC, the Directors are also looking into focusing the Company on the provision of services to the run-of-river hydro industry. We will keep shareholders informed and make any further announcements as required in due course.

John Woolgar, Chairman  
22 December 2008

**Income Statement**  
**For the for the six months ended 30 September 2008**

	<b>6 months ended 30 September 2008 (unaudited) £</b>	<b>6 months ended 30 September 2007 (unaudited) £</b>	<b>Year ended 31 March 2008 (audited) £</b>
Administrative expenses	(66,564)	(37,842)	(95,462)

<b>Operating loss before finance costs</b>	(66,564)	(37,842)	(95,462)
Interest receivable	13,900	15,722	35,598
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<b>Loss for the period</b>	(52,664)	(22,120)	(59,864)
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<b>Loss per Ordinary Share</b>			
Basic and diluted	<u>0.04p</u>	<u>0.02p</u>	<u>0.05p</u>

All of the Company's activities are classed as continuing.

**Balance Sheet**  
**At 30 September 2008**

	<b>30 September 2008</b>		<b>31 March 2008</b>	
	<b>(unaudited)</b>		<b>(audited)</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Unlisted investments		260,000		250,000
<b>Current assets</b>				
Cash and cash equivalents	524,351		483,749	
Trade and other receivables	63,680		29,221	
	<hr/>		<hr/>	
		588,031		512,970
		<hr/>		<hr/>
<b>Total assets</b>		848,031		762,970
		<hr/> <hr/>		<hr/> <hr/>
<b>Equity and liabilities</b>				
Called up share capital		148,708		137,000
Share premium		803,375		672,293
Accumulated losses		(112,528)		(59,864)
		<hr/>		<hr/>
<b>Total equity</b>		839,555		749,429
<b>Current liabilities</b>				
Trade and other payables		8,476		13,541
		<hr/>		<hr/>
Total equity and liabilities		848,031		762,970

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**Statement of Changes In Shareholders Equity**  
**For the six months ended 30 September 2008**

	Share capital £	Share premium £	Accumulated losses £	Total equity £
Balance at 1 April 2008	137,000	672,293	(59,864)	749,429
Loss for the period	-	-	(52,664)	(52,664)
Issue of share capital	11,708	134,643	-	146,351
Costs associated with the issue of share capital	-	(3,561)	-	(3,561)
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Balance at 30 September 2008	148,708	803,375	(112,528)	839,555
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**Cash Flow Statement**  
**For the six months ended 30 September 2008**

	Period ended 30 September 2008 (unaudited) £	Period ended 30 September 2007 (unaudited) £	Year ended 31 March 2008 (audited) £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	(106,088)	(54,280)	(111,142)
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<b>Cash flows from investing activities</b>			
Investment	(10,000)	-	(250,000)
Interest received	13,900	15,722	35,598
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	3,900	15,722	(214,402)
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**Cash flows from financing activities**

Proceeds from issue of shares	146,351	870,000	870,000
Issue expenses paid	(3,561)	(112,108)	(110,707)
	—————	—————	—————
Net cash flows from financing activities	142,790	757,892	759,293
	—————	—————	—————
Net increase in cash and cash equivalents	40,602	719,334	433,749
Cash and cash equivalents at beginning of period	483,749	50,000	50,000
	—————	—————	—————
<b>Cash and cash equivalents at end of period</b>	524,351	769,334	483,749
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**Notes to the interim financial statements  
For the six months ended 30 September 2008****1. Accounting policies****a) Basis of preparation of the interim financial statements**

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and IFRIC interpretations endorsed by the European Union, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. They have been prepared using the historical cost convention.

The interim financial statements, which have been approved by the directors, are unaudited and have not been subject to independent review as defined in Auditing Practices Board Statement ISRE (UK & Ireland) 2410 and do not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial

statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The principal accounting policies adopted are set out below and have been consistently applied.

**b) New standards and interpretations**

At the date of authorisation of the interim financial statements, there were Standards and Interpretations which have not been applied in these company's statements that were in issue but not yet effective.

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the company's interim financial statements in the period of initial application.

**c) Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amount of revenues and expenses during the period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**d) Financial instruments**

Financial assets and financial liabilities are recognised on the company balance sheet when the company becomes a party to the contractual provisions of the instrument.

**e) Investments**

Investments in unlisted companies are stated at cost less provision for any impairment value and recognised as non-current assets.

**f) Trade and other receivables**

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**g) Cash**

Cash and cash equivalents comprise cash at bank and in hand.

**h) Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**i) Trade and other payables**

Trade and other payables are not interest bearing and are stated at their nominal value.

**2. Financial risk management**

The company's operations expose it to a variety of financial risks that include liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance.

**a) Liquidity risk**

The company reviews its facilities regularly to ensure that it has adequate funds for operations and expansion plans.

**3. Related Party transactions**

During the period, the company paid rent of £17,872 to Chromex Mining Plc, a company in which J Burgess is a director.

For further information please contact:

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