

11 April 2007

KP RENEWABLES PLC
(the "Company")
INTERIM RESULTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006
("Interim Results")

CHAIRMAN'S STATEMENT

As shareholders of the Company should be aware, on 21 September 2006 the Company's Board of Directors (the "Board") requested that trading in the Company's shares (the "Shares") on AIM be suspended pending a decision on refinancing.

During the period covered by these Interim Results, the Company's development programme was materially restricted as a result of a shortage of funds. This shortage, which can be indirectly attributed to the untimely death of the Company's founder and Chief Executive Officer Dr James Richard Watkins, who had been leading the fund raising efforts, meant that the Company could not devote sufficient resources to its existing pipeline projects (the "Projects") to bring them to fruition and benefit from them.

The Interim Results reveal a loss before tax of #2.27m for the 6 months ended 30 June 2006. Of this amount, some #1.1m relates to provisions which have been made against assets that the Board considers no longer to have any value to the Company.

After the suspension the Board continued to be hopeful that it would be able to generate value from the Projects for the creditors and shareholders of the Company, but in view of the very limited financial resources of the Company this has not been the case. However the Board has been able to progress its negotiations in relation to the proposed sale of a number of small wind farm projects. Such negotiations are ongoing but there can be no certainty as to the outcome at this stage. The Board has considered a number of other proposals to refinance the Company in its present form, but none have proceeded beyond early stage discussions.

As a consequence of all of the above, the Board, with the active assistance of its advisers, conducted a review of all the available options and concluded that the only route to provide some residual value for the creditors and shareholders of the Company was to propose a Company Voluntary Arrangement ("CVA") whereby the creditors of the Company would be asked to materially compromise the amounts owed to each, and, conditional on the creditors agreeing to be so compromised, to raise new equity capital.

The creditors and shareholders of the Company approved the Directors' proposal for a CVA, which were put to them on 10 April 2007. It should be noted that under the terms of the CVA, those creditors of the Company who elected for the cash and shares option are entitled to 60% of any net proceeds which may flow from the Projects over a 3 year period on a pro rata basis, subject to a maximum of 100% of each creditor's CVA claim.

The Company has now completed a placing to raise #575,000 (the "Placing"). The Board hopes to be in a position to announce within the next few days that additional funds have been raised. In view of the fact that the price at which the Company was able to undertake the placing was less than the nominal value of the Shares (1p), it was necessary to propose a reorganisation of the share capital of the Company (the "Reorganisation"). This Reorganisation was approved by shareholders of the Company at an Extraordinary General Meeting (the "EGM") held on 10 April 2007. Accordingly, the Shares have each been sub-divided into 1 new ordinary share of 0.05p and 1 deferred share of 0.95p. The new ordinary shares of 0.05p have been immediately consolidated on a 1 for 20 basis so that the nominal value of the shares of the Company becomes 1p once more. Such consolidation has reduced the number of the shares in the Company in issue prior to the Placing from 46,589,662 to 2,329,483. The Placing has been effected at 1p per share in the consolidated form so that following the Reorganisation and the Placing there will be 59,829,483 shares in issue.

In preparation for the CVA, Reorganisation, Placing and EGM, David Lloyd-Jacob, Stephen Drummond and Paul Goodrow resigned as Directors of the Company. David Lindley and I will remain as Directors and I am pleased to inform you that Peter Redmond and Richard Armstrong have agreed to join the Board.

The Company will continue to operate in the renewable energy sector and the immediate priority of the Board will be to attempt to crystallise value from some of the existing projects in a cost effective manner for the benefit of the

creditors and shareholders of the Company. The Directors recognise that the Company's business will initially be limited in scale and that it may be in shareholders' best interests for consideration to be given either to a significant further fund raising to support investment in a sizable project in the renewable energy field or to the acquisition of another business. In the latter event, this would almost certainly be considered to be a reverse takeover under the AIM Rules and would be subject to further approval by shareholders.

As a result of the arrangement described above, I am now able to announce the Interim Results which I set out below and confirm that an application has been made to AIM re-admit the Shares to trading.

John Bryant
Chairman

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KP Renewables plc

Consolidated Balance Sheet

At 30 June 2006

	Unaudited 30 June 2006	Unaudited 30 June 2005	Audited 31 December
	#	#	#
ASSETS			
Non-current assets			
Goodwill	-	514,791	-
Investment on product development	-	-	217,796
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	-	514,791	217,796
	-----	-----	-----
Current assets			
Trade and other receivables	107,727	109,735	1,023,974
Cash and cash equivalents	57,995	1,037	1,100,181
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	165,722	110,772	2,124,155
	-----	-----	-----
Total assets	165,722	625,563	2,341,951
	=====	=====	=====
EQUITY AND LIABILITIES			
Share capital	465,897	412,970	465,897
Share option reserve	254,000	-	244,000
Share premium	3,734,347	296,312	3,734,347
Accumulated losses	(4,431,074)	(304,816)	(2,160,331)
	-----	-----	-----
Total Equity	23,170	404,466	2,283,913
	=====	=====	=====
Current liabilities			
Trade and other payables	142,552	221,097	58,038
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Total current liabilities	142,552	221,097	58,038

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Total equity and liabilities	165,722	625,563	2,341,951
	=====	=====	=====

KP Renewables plc
Consolidated Profit and Loss Account
For the six months ended 30 June 2006

	Unaudited 6 months to 30 June 2006	Unaudited 6 months to 30 June 2005	Audited Year ended 31 December 2005
	#	#	#
Turnover	-	-	-
Administration expenses and operating loss	(2,280,766)	(83,865)	(1,968,099)
Investment income	10,023	-	30,267
Interest paid	-	-	(1,548)
	-----	-----	-----
Loss for the period before tax	(2,270,743)	(83,865)	(1,939,380)
Taxation	-	-	-
	-----	-----	-----
	(2,270,743)	(83,865)	(1,939,380)
	=====	=====	=====
Loss per share (pence) - basic and diluted	(4.87)	(0.20)	(4.46)

KP Renewables plc
Consolidated Statement of Changes in Equity
For the six months ended 30 June 2006

	Share Capital #	Share premium account #	Share option reserve #	Accumulated losses #	Total #
Balance at 1 January 2005	404,464	273,578	-	(220,951)	457,091
Changes in equity for 2005					
Loss for the year	-	-	-	(1,939,380)	(1,939,380)
Issue of share capital	61,433	4,510,435	-	-	4,571,868
Costs of issue of shares	-	(1,049,666)	-	-	(1,049,666)
Equity share options	-	-	244,000	-	244,000
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Balance at 31 December 2005	465,897	3,734,347	244,000	(2,160,331)	2,283,913
Loss for the					

six months	-	-	-	(2,270,743)	(2,270,743)
Equity share options	-	-	10,000	-	10,000
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Balance at 30 June 2006	465,897	3,734,347	254,000	(4,431,074)	23,170
	=====	=====	=====	=====	=====

KP Renewables plc
Consolidated Cash Flow Statement
For the six months ended 30 June 2006

	Unaudited 6 months to 30 June 2006	Unaudited 6 months to 30 June 2005	Audited Year ended 31 December 2005
	#	#	#
Net cash flow from operating activities			
Cash flow from operating activities	(2,052,970)	(83,865)	(1,362,104)
Interest paid	-	-	(1,548)
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	(2,052,970)	(83,865)	(1,363,652)
Movement in working capital (Increase)/decrease in receivables	916,247	(21,515)	(315,754)
Increase/(decrease) in payables	84,514	64,437	(78,622)
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Net cash used in operating activities	(1,052,209)	(40,943)	(1,758,028)
	=====	=====	=====
Investing activities			
Interest received	10,023	-	30,267
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Net cash from investing activities	10,023	-	30,267
	=====	=====	=====
Financing activities			
Loan from parent	-	-	(20,000)
Proceeds from issue of share capital	-	31,240	2,837,240
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Net cash from financing activities	-	31,240	2,817,202
	=====	=====	=====
Net (decrease)/increase in cash in the period	(1,042,186)	(9,703)	1,089,441
Cash and cash equivalents at beginning of the period	1,100,181	10,740	10,740
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Cash and cash equivalents at end of the period	57,995	1,037	1,100,181
	=====	=====	=====

KP Renewables plc
Notes to the Statement Statements
For the six months ended 30 June 2006

Notes:

1. The interim results are unaudited and do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. The results for the year ended 31 December 2005 have been extracted from the Group accounts for that period. Those financial statements have been filed with the Registrar of Companies and included an auditor's report, which was modified in respect of an emphasis of matter on going concern.

2. The interim results have been prepared in accordance with the accounting policies adopted in the accounts for the year ended 31 December 2005 and to be adopted in respect of the year ending 31 December 2006.
3. Loss per share is based on a loss after taxation of #2,270,743 and on 46,589,662 ordinary shares, being the weighted average number in issue during the period.