Alecto Energy plc / EPIC: ALO / Market: AIM / Sector: General Financial

22 September 2010

Alecto Energy plc ('Alecto' or 'the Company')
Interim Results for the period ended 30 June 2010

Alecto Energy plc, the AIM listed resource investment company, is pleased to announce its interim results for the six months ended 30 June 2010.

Overview

- Experienced management team focussed on building portfolio of resource and energy investments
- Applications submitted on three gold and base metal and two uranium exploration sites in Mauritania
- £45,000 loan to Bulgarian Mining Corporation converted into a 20% shareholding
- Investment in Charles Street Capital plc to diversify exposure in natural resources arena

Chairman's Statement

Over the past six months, we have been active in evaluating a number of opportunities in line with our strategy to build a portfolio of resource projects and investments in the natural resource and energy sectors. We have an experienced board (the "Board"), a solid cash position and a number of exciting opportunities in sight, all of which, the Board believes, provides Alecto with a strong platform for future growth.

As previously announced on 16 September 2010, the Board is currently assessing a range of prospective sites in Mauritania, West Africa, and progress has been encouraging. Applications have been submitted to the Ministry of Industries and Mines for a three year exploration licence over five sites, including three gold and base metal sites and two uranium sites, and we look forward to receiving a response from the Ministry of Industries and Mines in the near future. The Board consider that Mauritania has a growing mining and energy sector and that much of the country is under-explored.

We have reviewed a number of projects since the beginning of the year, including an opportunity presented by Bulgarian Mining Corporation Ltd ('BMC'). Following the evaluation of the assets, the Board decided to convert the £45,000 working capital facility provided to BMC into a 20% shareholding in BMC to enable BMC to focus on projects with near to medium-term potential. However, Alecto's shareholding in BMC provides us with the potential to benefit from any upside that the licences may offer. Alecto has no commitments to invest further amounts in BMC.

We took a 9.73% shareholding in Charles Street Capital plc ('CSC') in return for a £100,000 investment, details of which were announced on 30 June 2010. The Board believes this investment will provide Alecto with exposure to a diverse range of potential resource projects. Under the terms of this investment, two members of our management team have joined CSC. Damian Conboy has joined as Managing Director to assist CSC in its development phase, and Greg Kuenzel, our Company Secretary and Financial Controller, has joined the CSC Board as a Non-Executive Director.

Financial Review

In March 2010, the Company completed a placing of 53,125,000 new Ordinary Shares at a price of 0.32p per share, with certain new and existing shareholders to raise £170,000 for working capital purposes. This enables Alecto to continue to evaluate projects in line with our strategy and with suitable upside potential.

During the period we undertook a share consolidation with the aim of assisting in reducing the volatility in our share price to the benefit of shareholders. The consolidation was on the basis of one new ordinary share for every 10 previously existing ordinary shares.

During the six months to 30 June 2010, the Company made a loss of £389,812 (30 June 2009: £88,214).

Outlook

Alecto has a strong management team, a defined strategy to invest in the energy and resource sectors to provide maximum value to shareholders and an existing pipeline of potential investment opportunities going forward, which the Board believes ideally positions Alecto for future growth.

I would like to take this opportunity to thank the Board and all those who have supported the Company over the period and I look forward to updating shareholders in relation to progress in Mauritania and further investment opportunities over the next few months.

Malcolm James
Chairman

For further information, please visit www.alectoenergy.com or contact:

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Greg Kuenzel	Alecto Energy plc	Tel: 020 3328 5670
Nick Naylor	Allenby Capital Ltd	Tel: 020 3328 5656
Alex Price	Allenby Capital Ltd	Tel: 020 3328 5656
Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Elisabeth Cowell	St Brides Media & Finance Ltd	Tel: 020 7236 1177

Condensed Income Statement

	Note	6 months to 30 June 10 Unaudited £	6 months to 30 June 09 Unaudited £	Year ended 31 December 2009 Audited £
Administration expenses		(390,393)	(88,197)	(208,539)
Foreign exchange gains		-	-	(1,623)
Other income		-	-	-
Loss from operations		(390,393)	(88,197)	(210,162)
Finance income		581	-	698
Finance costs		-	(17)	-
Loss from ordinary activities before tax		(389,812)	(88,214)	(209,464)
Corporation tax expense		-	-	-
Retained loss for the period attributable to shareholders		**(389,812)**	**(88,214)**	**(209,464)**
Loss per share - basic and diluted	**6**	**(0.39) pence**	**(0.32) pence**	**(0.41) pence**

Condensed Balance Sheet

	Note	30 June 10 Unaudited £	30 June 09 Unaudited £	31 December 09 Audited £
ASSETS				
Current assets				
Trade and other receivables		73,091	51,202	27,200
Bank balances and cash		528,722	170,109	741,512
		593,813	221,311	768,712
Total assets		**601,813**	**221,311**	**768,712**
EQUITY & LIABILITIES				
Equity				
Called up share capital	5	714,600	196,146	656,412
Share premium account	5	3,209,388	3,160,169	3,007,576
Merger reserve		-	-	405,000
Other reserves		182,504	175,707	182,504
Retained losses		(3,534,922)	(3,428,859)	(3,550,110)
		571,570	103,163	701,382
Current liabilities				
Trade and other payables		30,243	118,148	67,330
		30,243	118,148	67,330
Total equity and liabilities		**601,813**	**221,311**	**768,712**

Condensed Statement of Comprehensive Income

	30 June 10 Unaudited £	30 June 09 Unaudited £	31 December 09 Audited £
Loss for the year	(389,812)	(88,214)	(209,464)
Total comprehensive income for the period	**(389,812)**	**(88,214)**	**(209,464)**

Condensed Statement of Changes in Equity

	Share Capital £	Share Premium £	Merger Reserve £	Share Option Reserve £	Profit and Loss Account £	Total £
As at 1 January 2009	**196,146**	**3,160,169**	**-**	**175,707**	**(3,340,645)**	**191,377**
Total comprehensive income for the period	-	-	-	-	(88,214)	(88,214)
	-	-	-	-	-	-
As at 30 June 2009	**196,146**	**3,160,169**	**-**	**175,707**	**(3,428,859)**	**103,163**

	Share Capital £	Share Premium £	Merger Reserve £	Share Option Reserve £	Profit and Loss Account £	Total £
As at 1 January 2010	**656,412**	**3,007,576**	**405,000**	**182,504**	**(3,550,110)**	**701,382**
Share capital issued	58,188	201,812	-	-	-	260,000
Total comprehensive income for the period	-	-		-	(389,812)	(389,812)
Reserves transfer	-	-	(405,000)	-	405,000	-
As at 30 June 2010	**714,600**	**3,209,388**	**-**	**182,504**	**(3,534,922)**	**571,570**

Condensed Cash Flow Statement

	6 months to 30 June 10 Unaudited £	6 months to 30 June 09 Unaudited £	12 months to 31 December 2009 Audited £

Cash inflow from operating activities			
Operating loss	(390,393)	(88,197)	(210,162)
Depreciation	-	292	292
Share options expense	-	-	1,193
Operating expenses paid in share capital	90,000	-	-
Decrease/(Increase) in other receivables and prepayments	7,109	(30,784)	5,217
(Decrease)/Increase in trade and other payables	(37,087)	15,683	(47,135)
Net cash outflow from operating activities	**(330,371)**	**(103,006)**	**(250,595)**
Cash flows from investing activities			
Loans to third parties	(45,000)	-	-
Interest paid	-	(17)	-
Interest received	581	-	698
Net cash (used) in/received from investing activities	**(44,419)**	**(17)**	**698**
Cash flows from financing activities			
Proceeds from issue of share capital	162,000	-	723,277
Transaction costs of share issue	-	-	(5,000)
Net cash (used) in/received from financing activities	**162,000**	**-**	**718,277**
Net decrease in cash and cash equivalents	(212,790)	(103,023)	468,380
Cash and cash equivalents at the beginning of the period	741,512	273,132	273,132
Cash and cash equivalents at the end of the period	**528,722**	**170,109**	**741,512**

Notes to the unaudited financial statements

1. General information

The principal activity of Alecto Energy plc ('the Company') is to make investments and/or acquire projects in the natural resources and mineral sectors as a whole, including the energy sector.

During the period the Company dissolved its subsidiary Oreion Australia Energy Pty Limited. The results presented in these interim financial statements including comparatives are those of the Company only.

The address of its registered office is 200 Strand, London WC2R 1DJ.

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2009 were approved by the Board of Directors on 12 April 2010 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The 2010 interim financial report of the Company has not been audited but has been reviewed by the Company's auditor, Littlejohn LLP, whose independent review report is included in this Interim Report.

3. Accounting policies

Except as described below, the same accounting policies, presentation and methods of computation are followed in this condensed consolidated financial information as were applied in the preparation of the Company's annual financial statements for the year ended 31 December 2009.

(a) New and amended standards adopted by the Company

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. All costs associated with acquisitions or potential acquisitions have been expensed during the period incurred in accordance with the revision of IFRS 3.

4. Dividends

No dividend is proposed for the period.

5. Share capital

On 27 January 2010 the Company issued 30,000,000 shares at a price of 0.3p per share.

On 30 March 2010 the Company issued 53,125,000 shares at a price of 0.32p per share.

During the period the Company consolidated its share capital on the basis of 1 New Ordinary share for every 10 Existing Ordinary Shares. This consolidation of shares was approved at the Company's Annual General Meeting on 7 May 2010.

6. Loss per share

The calculation of loss per share is based on a retained loss of £389,812 for the period ended 30 June 2010 (30 June 2009: £89,528) and the weighted average number of shares in issue in the period 30 June 2010 of 99,071,865 (30 June 2009: 28,020,790). No diluted earnings per share is presented as the effect on the exercise of share options would be to decrease the loss per share.

The weighted average number of shares in issue and associated loss per share have been restated for all periods due to the consolidation of the Company's share capital detailed in note 5. The consolidation of share capital was an adjustment to the number of ordinary shares in issue without a corresponding change in the Company's resources. Consequently, in accordance with IAS 33, the shares are treated as if the conversion took place at the beginning of the earliest period stated.

7. Events after the balance sheet date

On 15 July 2010 the Company announced that it had completed the acquisition of a 9.73% shareholding in AIM listed Charles Street Capital Plc ("CSC") via a placing at 0.1 pence. Alecto's £100,000 investment in CSC comprises 100,000,000 ordinary shares in CSC at a price of 0.1 pence per share (the 'Placing Shares') plus warrants to subscribe for a further 50,000,000 new shares in CSC, exercisable at 0.25p per share for a period of two years from the date of admission of the Placing Shares to trading on AIM.

On 21 July 2010 the Company announced that it had agreed to convert the £45,000 working capital facility provided to Bulgarian Mining Corporation ("BMC") into a 20% shareholding in BMC with no obligations

Independent Review Report to Alecto Energy plc

Introduction

We have been engaged by Alecto Energy plc to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2010 which comprise the condensed income statement, condensed statement of comprehensive income, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

The Annual Financial Statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this half-yearly financial report has been prepared in accordance with the requirements of the AIM Rules for Companies.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

Littlejohn LLP
Chartered Accountants and Registered Auditors
1 Westferry Circus
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London
E14 4HD

22 September 2010

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