EL ORO LTD

13 April 2011

Interim Results

El Oro Ltd announces its interim results for the six months ended 31 December 2010.

The interim results for the six months ended 31 December 2010 will be posted to shareholders and will be available shortly on the Company's website www.eloro.com.

Extracts from the interim results are set out below.

For further information, please contact:

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EL ORO LTD

CHAIRMAN'S STATEMENT
Interim Report as at 31 December 2010

The Group total profit before tax for the six month period ended 31 December 2010 was £41,868,366 (total profit before tax for six months to December 2009: £21,693,180) Group net assets at 31 December 2010 under IFRS, taking all assets at fair value were £108,786,226 (equal to 1009.48 pence per share) as compared with £69,656,561 at 31 December 2009 (equal to 646.37 pence per share).

The incoming tide of the Resources Boom lifted many ships towards the high-water mark at the year-end: some of these gains have been foregone in recent weeks, as wars, rumours of wars, earthquakes; flood and political conflagration erupt around the World.

Hard on the heels of Rio Tinto's bid for Riversdale, in our Guernsey portfolio came a Chinese offer for Extract, seeking to consolidate supplies of Uranium feedstock in Rio's back-yard: sadly, the Fukushima Nuclear Power was inundated within days of this announcement, and the resurgence of the Nuclear Power industry, so grievously neglected for over 30 years despite its almost spotless safety record, ground to a halt. The suspension of Nuclear Power stations within Germany, subject to an injunction requested by the power industry itself, and China's announced review of its building programme, does not bode well for our Uranium investments, nor for that matter, for the economical, safe and clean production of power in this country or any other. The Deputy Prime Minister's almost gleeful prediction that safety measures might make Nuclear Power uneconomic in the United Kingdom, without the subsidies he so glibly waves towards wind-power, and without which it is unsustainable, perhaps condemns Britain to a partially-powerless future.

The myopia of Public perception, when led by lightweights, is galling in the extreme, when the facts of the case, of siting a Nuclear facility on a fault line in a country notorious for catastrophic earthquakes, on the East rather than the less vulnerable West Coast should be proclaimed to be peculiar to that country and area, rather than symptomatic of a systemic failure.

The same futility is apparent at home, where the inducement via feed-in tariffs to installers of solar-powered electricity have had the blinds drawn on any substantial projects, reverting to hopelessly uneconomic individual units.

The see-saw fortunes of Nuclear Power are to some extent, counter-balanced by Coal, the bogey-man of the British liberal elite, yet once the bedrock of British industry, and certainly that of the industries of the United States and China, amongst many other Nations: whilst many of our investments in that area continue to thrive, Churchill Mining in Indonesia (held in our Guernsey portfolio), with its ambitious plans for a long-distance Get-Carter type conveyor belt, have been thrown into confusion by the cancellation of their permit.

It is too early to anticipate whether this will be overturned, but we have been here before with Archipelago, who we are pleased to report has now poured its first tranche of Dore Gold from its Tika Tondung Gold Mine, several years late, but at an excellent and rising price of Gold; way above the original assumption: a significant boost for the Guernsey portfolio.

Amongst our other Gold holdings Centamin has suffered from turmoil in Egypt, although situated well away from Cairo, and already half-owned by the Government; we remain confident that barring nationwide turmoil, it will exceed expectations implied by the recent share-price. Troy continues to build production at a rate somewhat lower than originally expected, but at an output price for Gold and especially Silver very substantially higher than predicted prior to construction of the mine. We continue to benefit from Mines and exploration prospects in West Africa, such as Cluff, Papillon, Ampella, Azumah and Avocet, which are thriving with growing production or reserves and a strong Gold Price; these will all enhance the Guernsey portfolio.

The turmoil in Cote d'Ivoire may well resolve itself shortly, although the same cannot be said for Zimbabwe, where Mr Mugabe, immune from retribution for terrorising his own people, has announced an indigenisation policy, taking 51% of major mining and other industries, except for those that are Chinese owned. It would appear that not being an oil-producer provides sanctuary to tyrants, especially in that once favoured part of Southern Africa.

Sadly, Greystar in Colombia (in our Guernsey portfolio) has had to imbibe the bitter pill of losing its application for a mining permit at Angostura, at the same time as the UK Chancellor imposts tax on its location's namesake. The power of the NGOs with their anti-mining bias, has percolated to the Colombian highlands, although overall it remains a positive place for business and Amerisur's increasing oil discoveries have boosted the UK portfolio.

Amongst our other interests, primarily within the London portfolio, the Brewery sector has done well to survive the icy-blasts around the turn of the year, and its London-centric elements may well benefit from next year's Olympics, whilst invasion of the house-snatchers from oli-land to India, continues to boost central London prices. How much of this is real money remains to be seen, as unlit apartments around Knightsbridge testify to a non-resident population, but certainly for now the title-deeds appear to have passed into foreign fingers. MP Evans and Wynnstay continue to be boosted by Palm-oil and high Grain prices respectively, although their cost is apparent in falling faces amongst the old Guard in North Africa.

James Halstead in our UK portfolio remains in a class of its own, and we continue to watch with a blissful smile its unfailing repetition of fantastic results and gratefully-received dividend increases: Well done to all in Radcliffe, and take note those many mining companies so parsimonious with their new found profits.

'A wise man is mightier than a strong man and a man of knowledge than he who has strength': Proverbs XX1V.v 5.

Amongst the gathering clouds of calamity that confront several European economies, the recent Oxford Boat Race victory proved a triumph against the odds, hugely helped by the power and polish of the Number 6 who proved the antithesis of his Native antecedents: Greece and Ireland in contrast, far from surging forwards past their fancied rivals, sink deeper into the slough of irretrievable indebtedness and the boa-constrictor embrace of the single-currency, suffering slow strangulation and the extinction of their pride and high hopes which once revelled in low interest rates.

Along with Portugal, part of the pain of these countries would appear to be borne by Britain, under a guarantee given by Alastair Darling, and already underwritten in the case of Ireland by some £7bn. These liabilities and commitments, reinforced by the Coalition government's obsession with Overseas Aid, have now been compounded by the imposition of a 'No Fly Zone' over Libya, with what remains of our rapidly-shrinking Airforce and Navy.

Proverbs XXVI v 17: 'He that passeth by and meddleth with strife belonging not to him, is like one that taketh a dog by the ears'.

Certainly some dog in the case of Colonel Gaddafi, once courted so assiduously by the previous Government, despite presiding over the murder of PC Yvonne Fletcher, the Lockerbie 747 Flight, and provision of Semtex and its untold casualties within Northern Ireland and elsewhere: the time for intervention was under good King Idris, with whom we had a treaty and troops within the country, not 42 years on when our power has passed and been frittered away on questionable projects, our Navy's wings clipped, our Harriers brought down, our Aircraft Carriers unbuilt and bereft of airplanes or support vessels.

We hear of the former pride of the Royal Navy, the Ark Royal, being hawked for scrap for a trifling £2m, whilst the un-built and plane-less replacements will cost upwards of £1billion each.

Through this miasma of fatigue and folly, our fearless politicians fling the flower of our forces across the fetid fields of Afghanistan and airways of Libya, clutching their P45s, whilst the Muslim Brotherhood consolidate their grip on Egypt, and who knows-what will emerge in Libya. The track record for the imposition of stable and sound governments by external force is so abysmal to defy credible expectation of success.

Far more important to the future of Britain, Lydbury North Church of England Primary School once again is threatened with closure, despite rising pupil numbers, along with several other schools in Rural Shropshire, and around Britain, 3 years after fighting off a previous assault; schools as far afield as Berwick-upon-Tweed face losing 10 years' of hard-won progress, and the attempted 'dumbing-down' of our greatest Universities continues apace. £650 million is apparently being allocated to the education of Pakistan's children, whilst the life-blood of our Nation, the education of our children from Primary School to University, is squeezed by the cost-cutters.

At the same time monstrously expensive, grandiose and wholly unnecessary projects such as the High Speed 2 link to Birmingham, are contemplated with equanimity: those travellers from the West who enjoyed the gracious and solicitous delights of the Wrexham and Shropshire train service to Marylebone, free of taxpayers' largesse, appreciated the convenience and leisurely pace of the journey: ultimately private enterprise was unable to compete with Virgin's bully-boy tactics from its subsidised fortress.

The discovery that Newport Station, in South Wales, has spent £22 million on building a new bridge and car-park, for a one-off Golf Tournament leaves a bitter taste, seeing so many necessary and vital services removed or reduced, whilst the town-hall or subsidised sector of the economy continues on its egregious spending spree. Thomas Hardy is no doubt frowning with disdain at plans for Dorchester's new Town Hall, against which its citizens are now marching: the disease of dispersal of OPM (Other People's Money) was less prevalent in those times, even if wives were occasionally auctioned to make ends meet.

The provision of Private Education to overseas students and a large swathe of 'invisible earnings' is under threat from Immigration controls, and the recruitment of Accountants and Sheep Shearers, amongst others, or admittance of anyone emanating from the Old Commonwealth, is now impeded or prevented by our glorious new masters in Europe, or by the obeisance paid to their laws by their political pawns in our own Westminster Parliament. It will be a sad day when an industry as old and older than Absalom can no longer entertain those robust sons of the soil from Australia and New Zealand.

The bashing of the Banks by a medley of commentators and politicians, the Basle Requirements and ban on bonuses remain a threat to our financial sector, largely ignored or given insufficient credence by our leaders, and the insurance sector faces a challenge from Solvency 11 requirements, perhaps making some firms vacate Britain. Rivals for the favours of our despised Banks include Mayor Bloomberg of New York courting Barclays, and Paris reputedly pursuing HSBC. We wonder whether our leaders have any concept at all of the vital importance of this sector to our economy and livelihood. A few repentant sheep returning to the fold such as WPP will not compensate for their departure.

On the Foreign front, the indebtedness of the United States, and possible breach of its borrowing limits, along with the questionable destination of Treasury Bonds, now that the Federal Reserve is the largest single holder, pose painful problems for the US $. China's increase in rates put added pressure on the ECB to follow suit, and sends a chill shiver down the economic spine of those debt-junkie countries that appear to depend on their low-rate fix.

The outcome of 'Regime Change' across North Africa and further East is far from clear, but unlikely to be either benign nor favourable to the West. It is fascinating that with all the money spent on Security and Secret Services, no one seems to have anticipated the turmoil now occurring, except one or two shrewd observers of the trends in food prices, and their historic effect in creating unrest: perhaps body-scanning is all they are capable of. Even Internships are under threat from our calamitous coalition, the Deputy Prime Minister attempting to overthrow one of the tenets of family life, as described in the Book of Proverbs: Ch XIX v 14 'House and Wealth are inherited from fathers'. Surely the right of parents to leave no stone unturned on behalf of their progeny is inviolate?

The Unknown Unknowns appear to be on the increase: to borrow Niall Ferguson's analogy and quotation from Sergio Leone's' the Good the Bad and the Ugly': 'There are two types of Men in this World, one has the spades, the other has the Guns': it is China who holds the Guns and America that must do the digging.

A disturbing chink in the BRIC wall has emerged in Brazil, where Vale has seen its all-conquering Chief Executive, Sr. Agnelli, forced out by political disaffection, supposedly because of his reluctance to increase spending on infrastructure within Brazil. Vale has not become the Herculean Colossus it now is by adhering to a programme of social good works. This places a question mark over the ongoing success of Brazil, if a political agenda is to assume priority over red-blooded Capitalism. This could achieve results similar to the break-up of John D. Rockefeller's Standard Oil under the Sherman Anti-Trust Act of 1911, which ultimately hugely enhanced his wealth: or more ominously a withdrawal and its aftermath comparable to that ordered by Emperor Yongle of China after 1411.

The crack-down on dissent within China does raise questions of the durability of a possible pressure-cooker, particularly if there is a slow-down in internal growth rates. This would put a lot of reliance on the R and I, along with their lesser cohorts.

We would appear to be in prime position to benefit from this trend, bolstered as we are by a wide range of mineral assets, and backed up by considerable Gold and Precious metal holdings, primarily within the Guernsey portfolio, which remain in demand as currencies face continuing pressure, both within Europe and in the United States. The rise in Food prices, and strength of Agriculture underpins our investments in those areas, and we retain a significant exposure to quality British businesses, particularly in the UK portfolio, which given even a modest reduction in Government interference should continue to thrive. There would appear to be an inkling of recovery in property prices, although some forecasters predict a further fall.

A reduction in Government spending, despite all the hyperbole of cuts, may be too much to hope for, or even a retreat from the insane level of taxation at the new rate of 50%; despite these obstacles, and their magnitude, which we by no means belittle, we continue to believe your Company has a healthy future, and moreover remains excellent value, despite the increase that has occurred in the past 6 months.

My thanks go as always to the strong team within Cheval Place, ably administered by Steven McKeane, bravely backed by Abbie, now assisted by the super-fit Nick Wells, ever-valiant Vicky and indispensable Melwin.

My fellow Directors have continued to play a vital and supportive role, as have our many brokers and advisers, and we are particularly appreciative towards Lloyds Bank, who have certainly given the lie to the current canard about unhelpful Banks as we have rolled our long-term debt, due to expire in 2012, into a new five year facility.

We look forward to the second half of the year with anticipation, tempered by caution.

Robin Woodbine Parish
7 April 2011

EL ORO LTD

CONSOLIDATED INCOME STATEMENT

(Unaudited)
for the six months ended 31 December

	31 December 2010	31 December 2009
	£	£
Revenue		
Net gains on investments	**43,253,938**	23,085,636
Expenses	**(859,251)**	(886,505)
Profit before finance costs and taxation	**42,394,687**	22,199,131
Finance costs:		
Interest	**(526,321)**	(505,951)
	(526,321)	(505,951)
Profit before taxation	**41,868,366**	21,693,180
Taxation	**(2,909,634)**	(2,338,309)
Profit for the period	**38,958,732**	19,354,871
Earnings per share (basic and diluted)	**361.5 p**	179.6 p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)
for the six months ended 31 December

	31 December 2010	31 December 2009
	£	£
Profit for the period	**38,958,732**	19,354,871
Dividend paid	**(538,825)**	(1,508,710)
Unclaimed dividends	**10,468**	-
	38,430,375	17,846,161
Opening capital and reserves attributable to equity holders	**70,355,851**	51,810,400
Closing capital and reserves attributable to equity holders	**108,786,226**	69,656,561

EL ORO LTD

CONSOLIDATED BALANCE SHEET (Unaudited)

As at 31 December

	31 December 2010	31 December 2009
Assets	**£**	£
Non-current assets		
Property, plant and equipment	**716,130**	746,019
	716,130	746,019
Current assets		
Trade and other receivables	**111,832**	342,767
Financial assets fair valued through the income statement:		
- Securities	**144,522,110**	97,616,121
- Derivatives	**50,334**	184,772
- Commodities	**1,801,488**	1,367,310
Cash and cash equivalents	**854,755**	1,413,304
	147,340,519	100,924,274
Liabilities		
Current liabilities		
Financial liabilities:		
Borrowings	**13,631,984**	8,663,908
Trade and other payables	**819,338**	954,656
Current tax liabilities	**591,663**	548,333
Financial liabilities fair valued through the income statement:		
- Derivatives	**2,476,220**	1,625,488
	17,519,205	11,792,385
Net current assets	**129,821,314**	89,131,889
Non-current liabilities		
Borrowings	**15,000,000**	15,000,000
Deferred taxation	**6,751,218**	5,221,347
	21,751,218	20,221,347
Net assets	**108,786,226**	69,656,561
Stockholders' equity		
Ordinary shares	**538,825**	538,825
Share premium reserve	**6,017**	6,017
Capital redemption reserve	**347,402**	347,402
Merger reserve	**3,564**	3,564
Retained earnings reserve	**107,890,418**	68,760,753
Total equity	**108,786,226**	69,656,561
Net asset value per stock unit	**1009.48 p**	646.37 p

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CONSOLIDATED CASH FLOW STATEMENT

(Unaudited)

for the six months ended 31 December

	31 December 2010	31 December 2009
	£	£
Net cash inflow from operating activities	**(2,795,872)**	1,819,603
Income tax paid	**(788,133)**	(562,704)
	(3,584,005)	1,256,899
Cash flow from investing activities	**(4,069)**	(57,203)
Cash flow from financing activities	**(1,060,949)**	(2,008,807)
Net decrease in cash and cash equivalents	**(4,649,023)**	(809,111)
Cash and cash equivalents at 30 June	**(8,147,925)**	(6,355,499)
Effect of foreign exchange rate changes	**19,719**	(85,994)
Cash and cash equivalents at 31 December	(12,777,229)	(7,250,604)

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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Unaudited Consolidated Interim Financial Statements ("Financial Statements") for the six months ended 31 December 2010 do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Group's accounting policies have been applied consistently in dealing with items which are considered material in relation to the audited financial statements of El Oro Ltd for the year ended 30 June 2010.

An interim dividend of 5.0 pence was paid in relation to the year ended 30 June 2010 on 10 December 2010 with the initial interim dividend for the same period of 12.0 pence paid on 31 March 2010.

The Financial Information was approved by a Committee of the Board of Directors on 12 April 2011.

The Financial Information has not been subject to review or audit by the Group's Auditor PricewaterhouseCoopers.

El Oro Ltd is listed on the Channel Islands Stock Exchange (CISX) – ticker (ELX).

CASH AND CASH EQUIVALENTS	**31 December 2010 £**	31 December 2009 £
Cash available on demand	**854,755**	1,413,304
Bank overdrafts	**(3,296,104)**	(3,470,586)
Amounts due to brokers	**(10,335,880)**	(5,193,322)
	(12,777,229)	(7,250,604)

RESERVES	**31 December 2010 £**	31 December 2009 £
Retained earnings as at 30 June	**69,460,043**	50,914,592
Total gains for the period	38,958,732	19,354,871
Dividend paid (net)	(528,357)	(1,508,710)
As at 31 December	**107,890,418**	68,760,753

The other reserves did not change during the period.

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INVESTMENTS VALUED AT OVER GBP 1 MILLION

Security	**Underlying currency**	**Fair Value GBP**	**% of portfolio**
Troy Resources	AUD	12,249,655	8.37%
Young & Co	GBP	8,579,901	5.86%
M P Evans Group	GBP	4,833,137	3.30%
James Halstead	GBP	3,722,775	2.54%
Archipelago Resources	GBP	3,382,778	2.31%
Hurricane Exploration	GBP	3,157,291	2.16%
Fuller, Smith & Turner	GBP	2,462,877	1.68%
Patagonia Gold	GBP	2,450,141	1.67%
Kuala Lumpur Kepong	MYR	1,981,231	1.35%
Blackrock Am UK Gold & General	GBP	1,390,410	0.95%
Blackrock World Mining	GBP	500,633	0.34%
Amerisur Resources	GBP	1,821,825	1.25%
Gold Bullion	USD	1,801,488	1.23%
Mountview Estates	GBP	1,593,345	1.09%
Kalahari Minerals	GBP	1,472,321	1.01%
Shanta Gold	GBP	1,469,000	1.00%
Daejan Holdings	GBP	1,375,400	0.94%
Gold Fields	ZAR	1,339,251	0.92%
Dee Valley Group	GBP	1,281,493	0.88%
Shamika Resources	CAD	1,241,571	0.85%
Vatukoula Gold Mines	GBP	1,225,460	0.84%
Anglo Platinum	ZAR	1,184,890	0.81%
Vietnam Funds	USD	1,183,144	0.81%
Impala Platinum	ZAR	1,169,187	0.80%
Discovery Metals	AUD	1,162,630	0.79%
Ceravision	GBP	1,130,336	0.77%
Ampella Mining	AUD	1,066,382	0.73%
PZ Cussons	GBP	1,031,803	0.70%
		67,260,355	**45.95%**
	Other holdings	79,113,577	54.05%
	Portfolio	**146,373,932**	**100.00%**