Premier Energy and Water Trust plc

interim report
30 June 2009

4897881

Investment objectives and policy

The Company's investment objectives are to achieve a high income from its portfolio and to realise long-term growth in the capital value of the portfolio. The Company will seek to achieve these objectives by investing principally in the equity and equity related securities of companies operating primarily in the energy and water sectors, as well as other infrastructure investments. In seeking to achieve its investment objectives, the Company may invest up to 15% in other investment companies provided they themselves invest in the same sectors, and up to 15% of its gross assets in unquoted securities.

The Company's accounts will be maintained in sterling. Whilst many of the Company's investments are likely to be denominated in currencies other than sterling, the Investment Manager does not intend to deploy active hedging against exchange rate fluctuations.

Derivative instruments may be used for the purpose of efficient portfolio management.

WINNER OF THE BEST HIGH INCOME SECURITY AWARD IN THE MONEY OBSERVER INVESTMENT TRUST AWARDS 2009

Contents

Registered in England No. 4897881

A member of the Association of Investment Companies

Company highlights

Capital

	30 June 2009	31 December 2008	% change
Total assets (£000)[i]	56,635	59,955	-5.5%

Total return performance

	Six months to 30 June 2009 % change
Total assets[ii]	-3.9%
FTSE Global Utilities Total Return Index (£)[iii]	-16.4%
FTSE All World Total Return Index (£)[iv]	-3.9%
FTSE 100 Total Return Index[iv]	-1.6%

Share price and NAV[v] returns

		30 June 2009	31 December 2008	% change
Zero Dividend Preference share	NAV	146.70p	141.86p	+3.4%
	Mid price	152.75p	142.25p	+7.4%
Ordinary share	NAV	157.37p	180.78p	-12.9%
	Mid price	139.25p	126.00p	+10.5%
Net revenue per Ordinary share		5.27p	8.46p	
Net dividend per Ordinary share		3.00p	7.35p	

Zero Dividend Preference shares[vi]
From 30 June 2004 to 30 June 2009

[GRAPHIC REMOVED]

Ordinary shares[vii]
From 30 June 2004 to 30 June 2009

[GRAPHIC REMOVED]

Further information can be found in the Financial Summary on pages 8 and 9.

[i] *Total assets less current liabilities.*
[ii] *Total return performance, adjusted for any dividends distributed.*
[iii] *Source: FTSE.*
[iv] *Source: Bloomberg.*
[v] *Calculated in accordance with FRS21.*
[vi] *Source: Fundamental Data Ltd (all rights reserved).*
[vii] *Source: DataStream.*

Company summary

Launch Date	4 November 2003
Domiciled	UK
Year-end	31 December
Shareholders' Funds	£56.6 million
Market Capitalisation	£54.5 million
Bank Loan	Nil
Zero Dividend Preference shares	19,143,433: to be redeemed at 162.41p on 31 December 2010
Ordinary shares	18,143,433
Dividends	Paid on Ordinary shares

Dividend History

In respect of year ended 31 December	Total dividends declared
2008	7.35p
2007	7.00p
2006	6.90p
2005	6.75p
2004	7.875p*

Investment Manager	Premier Fund Managers Limited
Management Fee	1.0% per annum, charged 100% to revenue, plus performance fee, allocated between capital and revenue based on the out performance attributable to capital and revenue respectively
AIC	Member of the Association of Investment Companies

aic
The Association of Investment Companies

** This dividend was for the 14 month period from launch, representing an annualised dividend of 6.75p.*

Financial calendar

Company's year-end	31 December
Annual results announced	early March
Annual General Meeting	late April
Company's half-year end	30 June
Half-year results announced	early August
Dividend payments	quarterly 31 March, 30 June, 30 September and 31 December

Chairman's statement

Overview of Period

The aftershocks of the seismic upheaval in financial markets will resonate throughout the economic and business landscape over the next few years. The market has rebounded strongly after the rescue attempts of governments around the world have largely stabilised the financial system. However, the huge liabilities that have shifted from the balance sheets of institutions to their respective governments following the collapse of firms such as General Motors, AIG, Royal Bank of Scotland, HBOS and several Continental banks will have to be funded by taxpayers for many years to come. At the same time the risk of sovereign default is rising, evidenced by a recent warning on the UK national debt by rating agencies. It is possible that the UK and US debt obligations will reach almost 100% of GDP in the next few years, which is unsustainable unless revenues are raised via higher taxes. This reduced revenue available to take up slack demand in the global economy means a conventional "V shaped" recovery is unlikely, any improvement in demand being prolonged and volatile. Indeed the UK and US housing markets may take many years to recover, mirroring the protracted recovery in asset prices during the 1990's.

Whilst the general stockmarket has recovered at least a little of its severe losses of the last two years, the utility sector has not fared so well. It appears fund managers have been focussed on the more speculative areas of the market such as banks in the belief that they will be left behind if the markets do experience a sharp recovery. By contrast the global utility sector has not "bounced back" despite being well capitalised and still able to grow both earnings and dividends. We believe that this period of underperformance may be coming to an end as fund managers realise that the global recovery will be slower than expected.

Performance

This report deals with the performance of the Company from 1 January 2009 to 30 June 2009. Over the period the total assets of your Company have decreased by 3.9% on a total return basis. The Company's Ordinary shares are geared through the Zero Dividend Preference ("ZDP") shares which have a predetermined entitlement to capital. The accrual rate on the ZDP shares is 7% per annum and the return to the Ordinary shareholders is magnified by this prior charge. As a consequence and after allowing for the accrual to the ZDP share during the period of £927,000, the net asset value per Ordinary share decreased from 180.78p to 157.37p, a decrease of 12.9%. The Ordinary share price rose from 126.00p to 139.25p over the period whilst the price of the ZDP shares increased from 142.25p to 152.75p. The discount on the package of Ordinary and ZDP shares narrowed from 16.4% to 3.8%.

The Company does not have any formal investment benchmarks but rather considers performance against a range of stock market indices. As explained above, total or gross assets declined by 3.9% during the period on a total return basis whilst the FTSE 100 Index declined by 1.6%, the FTSE All World Index by 3.9% and FTSE Global Utilities Index by 16.4%, all in total return terms.

Chairman's statement
continued

Dividends
Income generation continues to be a key feature of your Company. Over the period revenue accrued totalled £1.62m. After costs and tax net revenue is £1.0m. On 31 March 2009 the Company paid a first interim dividend to Ordinary shareholders in respect of the year ending 31 December 2009 of 1.5p per share. A second interim dividend of 1.5p per share will be paid on 30 September 2009 to holders on the share register on 4 September 2009. The Ordinary shares will be marked ex-dividend on 2 September 2009.

Shareholder Relations
The Board and the Investment Manager welcome contact not only with the Company's existing investors but also potential investors. The Investment Manager has met the Company's major investors over the period as well as a number of potential new investors.

VAT On Management Fees
Subsequent to the half year end the Investment Manager received a repayment from HM Revenue & Customs of £530,660 in respect of VAT on past management fees invoiced to the Company. This amount, which had not previously been recognised as an asset by the Company due to the uncertainty of the recovery, was included in the net asset value from 29 July 2009. In addition HM Revenue & Customs will pay interest on the recovery. The amount of interest and timing of receipt remain uncertain and credit for the interest will be taken at a later date once it has been agreed. The VAT recovery will be credited to the Company's revenue and capital accounts in accordance with the Board's policy for allocation of management fees and finance costs.

Outlook
Your Company has adopted a cautious stance over the last twelve months by retaining a significant cash reserve which has helped counter the worst of the falls in equity markets in general. Despite this, the energy and water sectors have not been immune from the market falls and we now believe that many stocks offer significant long term value both in terms of their current low stockmarket rating allied to attractive and growing dividend yields. Any recovery is likely to be punctuated by periods of volatility as the global economy digests further bad news, particularly over levels of personal, corporate and sovereign debt. However, we believe the energy and water sectors are well placed to benefit as governments around the world attempt to promote economic growth through stimulating infrastructure spend. In this regard, and given the increasingly attractive long term valuations of many companies in these sectors, we are more optimistic than for some time. In line with this view, the Investment Manager has been gradually reducing the cash balances held by selectively acquiring stocks at good yields.

Geoffrey Burns
Chairman
3 August 2009

Investment manager's report

for the period 1 January to 30 June 2009

Overview

During the first half of 2009 global equity markets rebounded from their lows as selective economic indicators stabilised, although state, corporate and consumer debt burdens will continue to hold back global GDP growth for some time. The sharp decline in economic growth has had an impact on the power market but utilities as a whole will continue to benefit from long term growth in demand for electricity, gas, water and waste treatment. Many markets have liberalised over the last decade but it will be government policies that will drive technological choices, as authorities attempt to balance economic competitiveness with security of resources, environmental concerns and the need to stimulate local economies through infrastructure investment.

Premier Energy and Water Trust plc Sector Breakdown 30 June 2009

Cash/Net Current Assets 3.5%
Infrastructure 5.5%
Gas 9.8%
62.6% Electricity

[PIE CHART REMOVED]

Water 18.6%

Portfolio Activity

The emphasis of the Company has continued to shift away from telecoms towards power and water, with the result that the Company now holds no telecoms stocks. Electricity currently constitutes almost two-thirds of the overall portfolio, through increased positions in the United States and Europe in particular. As a result of their exposure to rising power prices, European share prices had fallen sharply over the last 12 months, to levels where the underlying stocks were offering very good value. The Company's weighting in Europe has been increased from a quarter to a third of the Company, as we believe yields there to be generally sustainable, stocks near their earnings trough and balance sheets in reasonable shape. This is reflected in increased holdings in *GDF Suez* and *Snam Rete Gas*, for example, and in the addition of new stocks such as *Public Power Corporation* (Greece) and *A2A* (Italy).

The United States saw a similar mismatch in company earnings forecasts and underlying business performance, providing the opportunity to add to a number of existing holdings. Enlarged holdings in *ITC* and *Northeast Utilities* and a new holding in *UIL* (a Connecticut based regulated electric utility) should enable the Company to benefit from low risk investments in transmission and distribution. Having met several American water companies recently, it is clear that the region or state(s) in which a company operates is very important. Some state regulators are more forward thinking than others with respect to infrastructure investment. Pennsylvania, for instance, encourages investment for the long term benefit of customers, whilst others appear merely to be focused on minimising water bills. The Company now holds *Aqua America* – which stands to benefit both from a favourable regulatory environment and a stabilising US housing market – and *Sabesp*, which operates water supply and waste water treatment facilities in the Sao Paulo region of Brazil.

Investment manager's report

continued

Many of the portfolio's Asian stocks have performed well, with the result that positions in *Datang International Power* and *Anhui Expressway*, for example, have been sold, although the Company's holding in *China Power New Energy* has been maintained because of the exposure it brings to the Chinese renewable energy investment. Despite this decision to take profits in a number of cases, we remain positive on the outlook for the region as a whole, and within it for China in particular, and will continue to look for further investment opportunities there.

Premier Energy and Water Trust plc Geographical Allocation at 30 June 2009

Malaysia 1.0%
Brazil 1.0%
Japan 1.6%
Portugal 1.7%
Singapore 1.8%
India 1.8%
Thailand 3.3%
Greece 3.3%
Cash/Net Current Assets 3.5%
Spain 3.5%
Germany 4.6%
Italy 7.3%
China/HongKong 7.9%
12.0% France
21.9% USA
23.8% United Kingdom

[PIE CHART REMOVED]

Outlook

With a cash position at the end of the period of 3.5%, the Company is now more fully invested than at any point over the past twelve months, reflecting our view that markets are now more accurately reflecting the drop in corporate earnings that is the consequence of the global economic downturn. Whilst budget deficits will hold back government spending in many major economies, we expect a focus on infrastructure investment to aid the industries in which the Company invests for several years.

We welcome contact with existing and potential new investors and further details of the Company may be found at www.premierassetmanagement.co.uk

Premier Fund Managers Limited
3 August 2009

Investment portfolio

at 30 June 2009

Holdings in descending order as at 30 June 2009.

Company	Activity	Country	2009 £000	Valuation % of total
Scottish & Southern Energy	Electricity generation & supply	UK	**3,189**	**5.9%**
FPL Group	Electricity generation & supply	USA	**2,589**	**4.8%**
E.ON	Electricity generation & supply	Germany	**2,576**	**4.8%**
Snam Rete Gas	Gas production & transmission	Italy	**2,339**	**4.3%**
Gaz de France	Gas production & transmission	France	**2,259**	**4.2%**
Pennon Group	Water & waste services	UK	**2,172**	**4.0%**
EDF	Electricity generation & supply	France	**2,022**	**3.7%**
Veolia Environnement	Water & waste services	France	**1,877**	**3.5%**
Public Power	Electricity generation & supply	Greece	**1,868**	**3.5%**
Aqua America	Water & waste services	USA	**1,847**	**3.4%**
UIL	Electricity distribution	USA	**1,795**	**3.3%**
National Grid	Electricity & gas distribution	UK	**1,778**	**3.3%**
China Power New Energy	Electricity generation	Hong Kong	**1,680**	**3.1%**
Northeast Utilities	Electricity & gas distribution	USA	**1,626**	**3.0%**
Guangdong Investment	Water supply	Hong Kong	**1,599**	**3.0%**
Iberdrola	Electricity generation & supply	Spain	**1,476**	**2.7%**
Entergy	Electricity generation & supply	USA	**1,412**	**2.6%**
First Energy Corp	Electricity generation & supply	USA	**1,412**	**2.6%**
Enel	Electricity generation & supply	Italy	**1,219**	**2.3%**
Jiangsu Expressway	Toll roads	China	**1,115**	**2.1%**
Indian Energy*	Renewable electricity generation	India	**1,000**	**1.9%**
Epure International	Water treatment	Singapore	**989**	**1.8%**
ITC Holdings Corporation	Electricity distribution	USA	**964**	**1.8%**
EDP Energias Portugal	Electricity generation & supply	Portugal	**950**	**1.8%**
Kyushu Electric Power	Electricity generation & supply	Japan	**914**	**1.7%**
Independent Resources	Gas storage	UK	**880**	**1.6%**
Bangkok Expressway	Toll roads	Thailand	**861**	**1.6%**
Greenko Group	Renewable electricity generation	UK	**825**	**1.5%**
Aveva Group	Engineering software for the power and marine industries	UK	**788**	**1.5%**
Novera Energy	Renewable electricity generation	UK	**747**	**1.4%**
Electricty Generating	Electricity generation & supply	Thailand	**694**	**1.3%**
Energybuild Group	Coal production	UK	**644**	**1.2%**
Wisconsin Energy	Gas and electricity supply	USA	**618**	**1.1%**
A2A	Electricity & gas distribution	Italy	**553**	**1.0%**
Suez	Water & waste services and electricity generation	France	**551**	**1.0%**
Sabesp	Water supply & water treatment facilities	Brazil	**546**	**1.0%**
Puncak Niaga	Water infrastructure	Malaysia	**542**	**1.0%**
ITI Energy*	Renewable electricity generation	UK	**504**	**0.9%**
Iberdrola Renovable	Renewable electricity generation	Spain	**498**	**0.9%**
KSK Emerging India Energy Fund*	Electricity generation & supply	UK	**480**	**0.9%**
Freepower Plc*	Renewable electricity generation	UK	**420**	**0.8%**
Premier Renewable	Renewable electricity generation	UK	**321**	**0.6%**
Renewable Energy Generation	Renewable electricity generation	UK	**300**	**0.6%**
Thai Tap Water	Water treatment	Thailand	**294**	**0.5%**
Hydrodec	Transformer oil recycling	UK	**270**	**0.5%**
Total Portfolio			**54,003**	**100.0%**

* *Unquoted investment.*

Financial summary

CAPITAL

	30 June 2009	31 December 2008	% change	Premium/ (discount) % 30 June 2009
Net Asset Value per Zero Dividend Preference share*	146.70p	141.86p	+3.4%	-
Mid-market price per Zero Dividend Preference share	152.75p	142.25p	+7.4%	4.1%
Net Asset Value per Ordinary share*	157.37p	180.78p	-12.9%	-
Mid-market price per Ordinary share	139.25p	126.00p	+10.5%	(11.5%)

** Net asset values calculated in accordance with Articles of Association.*

REVENUE

	30 June 2009	30 June 2008	% change
Net revenue per Ordinary share	5.27p	4.80p	+9.8
Net dividend per Ordinary share	3.00p	3.00p	-

HURDLE RATES†

	30 June 2009
Zero Dividend Preference shares:	
Hurdle rate to redemption price of 162.41p on 31 December 2010	-33.8%
Ordinary shares:	
Hurdle rate return to current share price of 139.25p	+1.5%

† The compound rate of growth of the total assets required each year until the wind-up date for shareholders to receive either a predetermined redemption price, or in some cases, a return of the amount originally invested.

Source: Fundamental Data Limited (all rights reserved).

Financial summary
continued

TOTAL RETURN PERFORMANCE

	Six months to 30 June 2009	Year to 31 December 2008
Total return on gross assets*	-3.9%	-19.6%
FTSE Global Utilities Total Return Index (£)**	-16.4%	-6.2%
FTSE All World Total Return Index (£)***	-3.9%	-19.4%
FTSE 100 Total Return Index***	-1.6%	-28.3%

	At 30 June 2009	At 31 December 2008
£/$ exchange rate	1.6469	1.4378
£/€ exchange rate	1.1741	1.0343

* *Total return performance calculated, adjusted for any dividends distributed.*

** *Source: FTSE.*

*** *Source: Bloomberg.*

Income statement

for the six months ended 30 June 2009

	Notes	Revenue £000	Capital £000	(Unaudited) Six months ended 30 June 2009 Total £000	Revenue £000	Capital £000	(Unaudited) Six months ended 30 June 2008 Total £000	Revenue £000	Capital £000	(Audited) Year ended 31 December 2008 Total £000
Losses on investments - held at fair value through profit or loss		-	(3,588)	(3,588)	-	(8,224)	(8,224)	-	(15,828)	(15,828)
Income:										
Dividends		1,602	-	1,602	1,383	-	1,383	2,549	-	2,549
Interest		15	-	15	129	-	129	249	-	249
Investment management and performance fee		(276)	-	(276)	(341)	(15)	(356)	(636)	(15)	(651)
Other expenses		(135)	-	(135)	(162)	-	(162)	(296)	-	(296)
Return before finance costs and taxation		1,206	(3,588)	(2,382)	1,009	(8,239)	(7,230)	1,866	(15,843)	(13,977)
Finance costs		-	(927)	(927)	-	(868)	(868)	(1)	(1,777)	(1,778)
Return on ordinary activities before taxation		1,206	(4,515)	(3,309)	1,009	(9,107)	(8,098)	1,865	(17,620)	(15,755)
Taxation on ordinary activities		(249)	100	(149)	(139)	-	(139)	(330)	150	(180)
Return on ordinary activities after taxation attributable to equity shares		957	(4,415)	(3,458)	870	(9,107)	(8,237)	1,535	(17,470)	(15,935)
				Total			Total			Total
Return per Ordinary share (pence)	4			(19.06)			(45.39)			(87.83)

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

[Income statement

for the six months ended 30 June 2009

APPEARS ON PAGES 10 AND 11 IN THE PRINTED DOCUMENT AND APPEARS ONLY ON PAGE 10 OF THIS FILE]

Balance sheet
as at 30 June 2009

	(Unaudited) 30 June 2009 £000	(Unaudited) 30 June 2008 £000	(Audited) 31 December 2008 £000
Non current assets			
Investments held at fair value through profit or loss	**54,003**	58,569	53,868
Current assets			
Debtors	**1,255**	286	328
Cash and cash equivalents	**2,394**	8,544	5,880
	3,649	8,830	6,208
Current liabilities			
Creditors - amounts falling due within one year	**(1,017)**	(111)	(121)
Net current assets	**2,632**	8,719	6,087
Total assets less current liabilities	**56,635**	67,288	59,955
Creditors - amounts falling due after more than one year			
Zero Dividend Preference shares	**(28,083)**	(26,247)	(27,156)
Total net assets	**28,552**	41,041	32,799
Capital and reserves			
Equity share capital	**181**	181	181
Redemption reserve	**10**	10	10
Capital reserve	**9,722**	22,500	14,137
Special reserve	**17,474**	17,474	17,474
Revenue reserve	**1,165**	876	997
Total equity shareholders' funds	**28,552**	41,041	32,799
NAV per share - Ordinary shares (pence)	**157.37**	226.21	180.78
- ZDP shares (pence)†	**146.70**	137.10	141.86

† *Zero Dividend Preference shares are classified as financial liabilities.*

The financial statements on pages 10 to 16 were approved by the Board on 3 August 2009 and were signed on its behalf by:

Geoffrey Burns
Chairman

Reconciliation of movements in shareholders' funds

for the six months ended 30 June 2009

			(Unaudited)			
	Share capital £000	Redemption reserve £000	Capital reserve £000	Special reserve £000	Revenue reserve £000	Total £000
For the six months ended 30 June 2009						
Balance at 1 January 2009	**181**	**10**	**14,137**	**17,474**	**997**	**32,799**
Return on ordinary activities after taxation	**-**	**-**	**(4,415)**	**-**	**957**	**(3,458)**
Dividends paid	**-**	**-**	**-**	**-**	**(789)**	**(789)**
Balance at 30 June 2009	**181**	**10**	**9,722**	**17,474**	**1,165**	**28,552**

			(Unaudited)			
	Share capital £000	Redemption reserve £000	Capital reserve £000	Special reserve £000	Revenue reserve £000	Total £000
For the six months ended 30 June 2008						
Balance at 1 January 2008	181	10	31,607	17,474	732	50,004
Return on ordinary activities after taxation	-	-	(9,107)	-	870	(8,237)
Dividends paid	-	-	-	-	(726)	(726)
Balance at 30 June 2008	181	10	22,500	17,474	876	41,041

			(Audited)			
	Share capital £000	Redemption reserve £000	Capital reserve £000	Special reserve £000	Revenue reserve £000	Total £000
For the year ended 31 December 2008						
Balance at 1 January 2008	181	10	31,607	17,474	732	50,004
Return on ordinary activities after taxation	-	-	(17,470)	-	1,535	(15,935)
Dividends paid	-	-	-	-	(1,270)	(1,270)
Balance at 31 December 2008	181	10	14,137	17,474	997	32,799

Cash flow statement

for the six months ended 30 June 2009

	(Unaudited) Six months ended 30 June 2009 £000	(Unaudited) Six months ended 30 June 2008 £000	(Audited) Year ended 31 December 2008 £000
Operating activities			
Income received from investments	**1,603**	1,469	2,634
Interest received	**15**	165	286
Investment management fees paid	**(277)**	(2,179)	(2,448)
Other cash payments	**(156)**	(130)	(302)
Net cash inflow/(outflow) from operating activities	**1,185**	(675)	170
Servicing of finance			
Interest paid	**-**	-	(1)
Taxation			
Overseas tax paid	**(196)**	(154)	(215)
Financial investments			
Purchases of investments	**(20,921)**	(25,203)	(46,219)
Sales of investments	**17,235**	29,163	47,276
Net cash (outflow)/inflow from financial investments	**(3,686)**	3,960	1,057
Equity dividends paid	**(789)**	(726)	(1,270)
(Decrease)/increase in cash	**(3,486)**	2,405	(259)

Notes to the financial statements

1. These financial statements are prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with applicable accounting standards and with the Statement of Recommended Practice 2003, revised in December 2005 regarding the Financial Statements of Investment Trust Companies ("SORP"). The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 31 December 2008.

2. The figures and financial information for the year ended 31 December 2008 are an extract from the latest published accounts and do not constitute statutory accounts. Full accounts for that period have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified. The accounts for the six months ended 30 June 2009 and for the six months ended 30 June 2008 are unaudited and do not constitute statutory accounts.

3. On 28 July 2009 the Directors declared a second interim dividend of 1.5p per Ordinary share for the year ending 31 December 2009 to holders of Ordinary shares on the Register on 4 September 2009. The Ordinary shares will be marked ex-dividend on 2 September 2009 and the dividend will be paid on 30 September 2009.

4. The total return per Ordinary share is based on the return on ordinary activities after taxation of £(3,458,000) (six months ended 30 June 2008: £(8,237,000); year ended 31 December 2008 £(15,935,000)) and on 18,143,433 Ordinary shares in issue during the six months ended 30 June 2009 (six months ended 30 June 2008: 18,143,433 shares; year ended 31 December 2008: 18,143,433 shares).

5. At 30 June 2009 there were 18,143,433 Ordinary shares of 1p each and 19,143,433 Zero Dividend Preference shares of 1p each in issue.

6. The net asset value per Zero Dividend Preference share of 146.70p at 30 June 2009 (137.10p at 30 June 2008; 141.86p at 31 December 2008) has been calculated in accordance with the Articles of Association.

7. The taxation charge of £149,000 (30 June 2008: £139,000 and 31 December 2008: £180,000) relates to irrecoverable overseas taxation.

8. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow/(outflow) from operating activities:

	(Unaudited) Six months ended 30 June 2009 £000	(Unaudited) Six months ended 30 June 2008 £000	(Audited) Year ended 31 December 2008 £000
Total return on ordinary activities before finance costs and taxation	**(2,382)**	(7,230)	(13,977)
Capital return before finance costs and taxation	**3,588**	8,239	15,843
Other debtors	**10**	20	(2)
Accrued income and prepayments	**1**	122	122
Other creditors	**(32)**	(36)	(1,801)
Performance fee capitalised	**-**	(1,790)	(15)
Net cash inflow/(outflow) from operating activities	**1,185**	(675)	170

Notes to the financial statements
continued

9. Investment management fee for the six months to 30 June 2009.

	£000
Basic fee (charged to revenue)	**276**
	276

10. It is the intention of the Directors to conduct the affairs of the Company so that they satisfy the conditions for approval as an investment trust company set out in section 842 of the Income and Corporation Tax Act 1988.

Interim management report

Premier Energy and Water Trust plc is required to make the following disclosures in its half year report:

Principal Risks and Uncertainties

The Board believes that the principal risks and uncertainties faced by the Company continue to fall into the following categories:

- Structure of the Company and gearing.
- Dividend levels.
- Currency risk.
- Liquidity risk.
- Market price risk.
- Discount volatility.
- Operational.
- Accounting, legal and regulatory.

Information of each of these is given in the Report of the Directors in the Annual Report for the year ended 31 December 2008.

Related Party Transactions

The Investment Manager is regarded as a related party and details of the management fee payable during the six months ended 30 June 2009 are set out in note 9 to the financial statements. There have been no other related party transactions during the six months ended 30 June 2009.

Directors' Responsibility Statement

The Directors are responsible for preparing the half-yearly financial report, in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- The condensed set of financial statements within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports"; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R (indication of important events during the first six months of the year) and 4.2.8R (disclosure of related party transactions and changes therein) of the FSA's Disclosure and Transparency Rules.

For and on behalf of the Board

Geoffrey Burns
Chairman
3 August 2009

Shareholder information

SHARE PRICE AND PERFORMANCE INFORMATION

The Ordinary shares and Zero Dividend Preference shares are listed on the London Stock Exchange. The mid-market prices are quoted daily in the *Financial Times* and *The Daily Telegraph*.

Information about the Company can be obtained directly via www.premierassetmanagement.co.uk. Any enquiries can also be e-mailed to premier@premierfunds.co.uk.

SHARE DEALING

Shares can be purchased through your usual stockbroker.

Information on the Premier ISA can be obtained by contacting Premier on 01483 400400.

SHARE REGISTER ENQUIRIES

The register for the Ordinary shares and Zero Dividend Preference shares is maintained by Capita Registrars. In the event of queries regarding your holding, please contact the Registrar on 0871 664 0300 (calls cost 10p per minute plus network extras) overseas: +44 208 639 3399 or visit www.shareholder.services@capitaregistrars.com. Changes of name and/or address must be notified in writing to the Registrar.

PREMIER FUND MANAGERS LIMITED

Other investment companies managed by Premier are:

Acorn Income Fund Limited
Premier Renewable Energy Fund Limited
Global Special Opportunities Trust PLC

Further details of these funds can be obtained from Premier on 01483 400400.
E-mail premier@premierfunds.co.uk
www.premierassetmanagement.co.uk

Directors and advisers

Directors	Geoffrey Burns (Chairman) Adam Cooke Ian Graham Michael Wigley
Investment Manager	Premier Fund Managers Limited Eastgate Court High Street Guildford Surrey GU1 3DE Telephone: 01483 306 090 www.premierassetmanagement.co.uk Authorised and regulated by the Financial Services Authority
Secretary and Registered Office	Premier Asset Management Limited Eastgate Court High Street Guildford Surrey GU1 3DE Telephone: Mike Nokes 020 7982 1260
Company Number	4897881
Website	www.premierassetmanagement.co.uk
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA Telephone: 0871 664 0300 *(calls cost 10p per minute plus network extras)* Overseas: +44 208 639 3399 Email: shareholder.services@capitaregistrars.com
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Stockbroker	JPMorgan Cazenove Limited 20 Moorgate London EC2R 6DA Telephone: 020 7155 5000 www.cazenove.com