



PRESS RELEASE

Jakarta, 2nd July 2018

VELCAN: SALE OF THE REDELONG HYDROPOWER PROJECT IN INDONESIA

VELCAN announces it has fully divested its Redelong Hydropower Project (18 MW located in the Aceh province of Sumatera), sold to an Indonesian industrial group.

After the Meureubo 2 (59 MW) HEP and the Sukarame (7 MW) SHP were sold because of the administrative blockages encountered, including the unavailability of satisfactory PPAs, the Redelong HEP was the last project of the Group in Indonesia.

The small size of the Redelong project (18 MW) did not economically justify having full operations in the country and the Group will now finalize the shutdown of its operations in Indonesia.

Like other projects of the Group in Indonesia, the Redelong project costs were already fully impaired as on 31st December 2017. The sale price, which is to remain confidential, allows only a partial recovery of such costs, given the uncertainties affecting the sector in Indonesia.

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About Velcan:

Velcan is a Luxemburg headquartered investment holding company founded in 2005, operating as an independent power producer in emerging countries and managing a global portfolio of financial assets.

The company owns and operates one 15MW hydro power plant in Brazil that it developed and built in 2009. Its major power project under development is a cascade of hydropower concessions located in India and totalling 571 MW.



Hydropower concessions provide long periods of cash generation but their development outcome is uncertain and many years are needed to bring these projects to maturity in emerging countries: it involves field studies in remote places, obtaining the necessary authorizations and permits, and land acquisition in political and regulatory environments that can be unstable or heavily hampering. Meanwhile Velcan actively manages its treasury, investing in listed financial instruments and private equity deals.

Velcan's headquarters are in Luxemburg, with administrative and financial offices in Singapore and Mauritius. The team dedicated to the development of the Indian hydropower cascade is based in New Delhi and at the project site (Arunachal Pradesh).

The company was launched more than 10 years ago by its reference shareholder Luxembourg Hydro Power SA, owned by Velcan's management team.

Velcan is listed on the Paris Euronext Growth Stock Market (Euronext Growth/Ticker ALVEL/ISIN FR0010245803).

Velcan never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

Disclaimer

This press release contains prospective information about the potential of the projects in progress and/or of the projects of which the development has begun. This information constitutes objectives attached to projects and shall not be construed as direct or indirect net income forecast of the concerned year. Reader's attention is also drawn on the fact that the performance of these objectives depends on future circumstances and that it could be affected and/or delayed by risks, known or unknown, uncertainties, and various factors of any nature, notably related to economic, commercial or regulatory conjuncture, which occurrence could be likely to have a negative impact on future activity and performances of the Group.

This announcement does not constitute a public offering ("offre au public") nor an invitation to the public or to any qualified investor in connection with any offering. This announcement is not an offer of securities in the United States of America or in any other jurisdiction/country.

