

## PRESS RELEASE

Luxembourg, 24<sup>th</sup> September 2018

### **VELCAN: EXTENSION OF HEO AND TATO-1 PROJECTS' TECHNO-ECONOMIC CLEARANCE**

The Central Electricity Authority, Ministry of Power, Government of India, has extended the Techno-Economic Clearances (TEC) it had issued on 28<sup>th</sup> July 2015 to the Heo Hydroelectric Project (240 MW) and on 28<sup>th</sup> October 2015 to Tato-1 Hydroelectric Project (186 MW).

The two TECs, initially granted for a 3 years validity period as per C.E.A regulations, had then approved after a detailed examination the feasibility studies, technical features, economic features, costs estimates and power generation features of the 426 MW hydroelectric tandem formed by these 2 projects. The TECs are essential to the project development process as they freeze the projects' technical parameters, which in turn constitute the basis for other authorisations and procedures such as for example environmental studies and clearances, land acquisition, forest land use permits or grid connectivity studies.

After having re-assessed the progress and the situation of the projects, and after receiving a non-objection from the Government of Arunachal Pradesh, C.E.A has granted this first extension for a standard duration of 2 years, without altering the techno-economic parameters approved in 2015.

Given the ongoing discussions with the Government of Arunachal Pradesh about the execution of an amended concession agreement for the current power capacities of 240MW and 186MW, the TECs extensions have been granted subject to the condition of signing such amendment and settling related administrative fees. As of the date of this press release, the negotiations regarding the terms of the amended concession agreement, notably the administrative fees, are still underway.

The extension of the TECs and the expected amendment of the concession agreements are among some of the important steps for the development of the projects. More details on the other aspects of the projects can be found in the Company's annual report.

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### **About Velcan:**

Velcan Holdings 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. The company is developing a major 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 Holdings actively manages its treasury, investing in listed financial instruments and private equity deals.

Velcan Holdings' 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 Holdings' management team.

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

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

### **Disclaimer**

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*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.*

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