



PRESS RELEASE

New Delhi, 8th April 2015

**VELCAN: ENVIRONMENTAL CLEARANCES APPROVED FOR ITS THREE INDIAN PROJECTS
(571MW)**

FORTHCOMING RELEASE OF FY 2014 RESULTS: 23rd-30th APRIL 2015

Velcan announces that the Indian Ministry of Environment, Forests and Climate Change has approved the Environmental Clearance for the Heo (240MW), the Tato-I (186MW) and the Pauk (145MW) Hydro Electrical Projects.

This important milestone is achieved after 7 years of diligent environmental studies and field work with the local population and stakeholders. The EIA (Environment Impact Assessment) and EMP (Environment Management Plan) studies were submitted in June 2014 following successful public hearings held between August and November 2013 involving more than five hundred people from villages nearby. Subsequently, the Expert Appraisal Committee (EAC), an independent, multidisciplinary body of experts, held appraisal meetings in July and August of 2014 and recommended that the Ministry grant the *Final Environmental Clearance*. The minor nature and small number of environmental issues pertaining to the Projects confirmed, on one hand, that the projects are environmentally friendly, whereas they will, on the other hand, have very significant positive social and economic impact on the region.

As per applicable regulations, the Environmental Clearances will be formally issued after Stage I Forest Clearances, which are expected in the course of 2015.

Jean-Luc Rivoire, co-CEO of Velcan Energy Group stated that *“this major step reflects seven years of determined work by Velcan. Our Indian team in particular, both in New Delhi and in Arunachal Pradesh has nurtured a constructive and positive relationship with all the relevant authorities, stakeholders and local populations. We have received a particularly strong support from all the relevant administrations lately and we thank them for that. These projects are some of the most significant planned Foreign Direct Investment in Arunachal Pradesh and probably*

the largest hydro power concession held by a foreign company in India. These projects, once built, will provide renewable electricity at a very competitive price. We are proud to contribute to the economic and social development of Arunachal Pradesh and India”.

As a reminder, the Environmental Clearances are distinct from both the Techno-Economic Clearances and the Forest Clearances for the projects. The TECs are issued by the Central Electricity Authority and approve the detailed technical and economical features of the projects according to separate procedures which are well underway. The Environmental Clearance, the TEC and the Forest Clearances are the main prerequisites for Hydro Electrical Projects in India.

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Furthermore, Velcan announces that it will publish its FY2014 earnings and annual report between 23rd and 30th April 2015.

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Investor Relations Contact investor@velcanenergy.com

Nicolas Konialidis konialidis@velcan.lu

About Velcan Energy:

Velcan (ALVEL FP) develops and operates hydro power concessions in emerging markets. The Company's strategy is to become a market leader in up to 200 MW hydro power concessions. It is currently targeting India, Brazil, Laos and Indonesia for its next investments.

Hydro power is attractive and can be an important contributor to the economic development of these countries:

- Chronic electricity shortages are an impediment to social and economic development. For instance, an estimated 308 million people do not have regular access to electricity in India.
- Under-capacity has led both the Indian and Brazilian national governments to liberalize their national electricity market to allow increased private and foreign competition.
- Laos has a strategic position in South-East Asia and can export electricity to growing countries such as Thailand, Vietnam, Cambodia and China.
- Indonesia is one of the largest emerging economies in the world with stable economic growth rates and good conditions for hydro power.
- Indonesia is one of the most important Emerging companies in the world with good conditions for Hydroelectricity.
- Velcan is active in countries with large untapped hydroelectric potential; 84 GW in India, 180 GW in Brazil, 75 GW in Indonesia and 26 GW in Laos.

As of March 2015, Velcan:

- Has built and operates its first hydroelectric concession in Brazil (15 MW).
- Owns rights related to hydroelectric concessions projects amounting to 860 MW in India, Brazil Indonesia and Laos.
- Owns two pre-concessions in the Lao PDR for a total of 93 MW capacity.
- Is developing, jointly with a subsidiary of PLN and a local partner, a hydroelectric project of 59MW capacity in Indonesia.

Velcan Energy employs approximately 50 people in its offices (New Delhi, Singapore, Vientiane, Jakarta and Saõ Paulo) and its concession sites.

Velcan is listed Euronext Paris - Alternext (ALVEL-FR0010245803). The Company 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. These information constitute objectives attached to projects and shall, in any case, 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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