



Press release

Paris, 6<sup>th</sup> January 2010

**Kairos Partners owns 10.29% of the issued equity of Velcan Energy.**

The company has been informed that in December 2009, Funds managed by Kairos Investment Management Limited bought additional shares in the company and now own a combined holding of 799,069 shares, above 10% of the issued equity of Velcan Energy. This threshold crossing has not been notified to the AMF (*Autorité des Marchés Financiers*), as the company is not regulated by this authority.

As of 31<sup>st</sup> December 2009, there are 7,763,242 issued and subscribed shares of Velcan Energy. Out of these, 1,108,418 are held by Velcan Energy Group.

\* \* \* \* \*

**Summary Information on Velcan Energy**

- Velcan Energy is a Nyse Euronext quoted Independent Clean Power Producer which builds and operates medium sized renewable energy power plants in India and Brazil
- The Company's strategy is to become a market leader in up to 100 MW renewable energy power stations in India and Brazil with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plants because:
  - Both countries suffer from serious under capacity in electricity production, particularly India where an estimated 650 million people do not have regular access to electricity
  - Under capacity has led to both national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
  - Both countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW and Brazil with an estimated 190,000 MW
- As of January 2010, Velcan Energy
  - Operates 2 biomass power plants in India
  - Has commissioned its first hydro power plant in Brazil (15 MW)
  - Owns the rights to more than 435 MW of concessions and projects in India and Brazil (Group share).

- Velcan Energy's technical team is composed of industry veterans and is one of the most experienced in the world in the construction and operation of hydroelectric and thermal power plants.
- Velcan Energy is headquartered in Paris, and employs over 200 people, divided between its six administrative offices (Bangalore, Bhubaneswar, Dubai, New Delhi, Paris, and São Paulo), its existing power plants and project sites.

#### **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.*

*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 or in any other jurisdiction/country.*