



Press release

New Delhi, 27th April 2010

VELCAN ENERGY: SIGNIFICANT INCREASE IN INDIAN HYDRO PORTFOLIO / DELAY IN CONSTRUCTION

Velcan Energy has 4 hydroelectric concessions in Arunachal Pradesh, initially estimated at a total of 304 MW. The various hydrological, geological and technical studies done over the last 3 years have modified the estimated capacity of these four concessions. The total capacity has been revised upwards to 500 MW which has been accepted by the Government of Arunachal Pradesh.

The Group has received in April 2010 a crucial authorization from the Ministry of Environment which is accepting the enhanced capacity and gives clearance for pre construction activities. It also details the next steps to be followed to obtain the environmental clearances.

The changes will delay the projects by two years and construction is expected to start in 2013 instead of 2011.

The next administrative steps are the approval by the Central Electrical Authority of the detailed studies and the application for the environmental clearances.

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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 200 MW renewable energy power stations in India, Brazil and Laos with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plants because:
 - These 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 Indian and Brazilian national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
 - Laos has a strategic position in South-East Asia, and can export to high power-demand growing countries such as Thailand, Vietnam, Cambodia and China.

- These countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW, Brazil with an estimated 190,000 MW and Laos with an estimated 28 000 MW.
- As of April 2010, Velcan Energy
 - Operates 1 biomass power plant in India
 - Has commissioned its first hydro power plant in Brazil (15 MW)
 - Owns the rights to more than 640 MW of concessions and projects in India and Brazil (Group share).
 - Has an agreement to develop 300 MW in Laos.
- 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 100 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.

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