

Press release

Vientiane, 15th March 2011

SECOND HYDRO POWER PRE CONCESSION IN LAOS

On Tuesday, 15th March 2011, Velcan Energy has signed its second hydro power project in Laos. The company and its local partner Electrical Construction and Installation (ECI) have entered into a Memorandum of Understanding (MoU) with the Government of Laos for the development of the Nam Ang-Tabeng project.

Like for the Nam Phouan project, this MoU gives the Velcan Energy-ECI consortium the exclusive right to investigate the hydropower potential of a site situated in the Sanxay district, in the province of Attapeu, on both the Nam Ang and the Nam Tabeng Rivers and their tributaries.

The approximate geographical coordinates of the project are 15°6'55N 107°7'9"E. The current preliminary studies have shown a potential of 35 MW.

The technical studies will last approximately 18 months. If they confirm that the site is technically feasible and economically promising, the consortium will have the exclusive right to ask the Government of Laos to be granted the full concession on the Nam Ang-Tabeng project.

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Summary Information on Velcan Energy

- Velcan Energy 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 in among others India, Brazil and Laos. 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 20 000 MW.
- As of today, Velcan Energy:
 - Has finished the construction and has commissioned its first hydro power concession in Brazil (15 MW)
 - Owns the rights to more than 600 MW of concessions and projects in India and Brazil (Group share).
 - Has an agreement to develop 300 MW in Laos
 - Is actively prospecting three additional emerging markets.
- 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 plants.
- Velcan Energy is headquartered in Paris, and employs over 60 people, divided between its administrative offices (New Delhi, Paris, and São Paulo) and concession 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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