

Press Release

Paris, 27<sup>th</sup> September 2011

## **VELCAN ENERGY: SIGNIFICANT CHANGE IN ASSET ALLOCATION.**

The Group has recently sold all its holdings of Brazilian government bonds and converted the proceeds in Euros and USD. The Group was becoming extremely uneasy with the current level of the Brazilian currency. Until the Group finds an equivalent investment, this will have a material impact on the revenues of the Group. These bonds were earning on average 11% and yielding Velcan Energy 6 to 7 Million Euros a year. This was 90 % of our financial revenues and more than 50% of the overall revenues of the Group. The management will do its best efforts to try to find other financial assets to invest this money in.

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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 June 2011, 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, Brazil and Laos (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**

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