

PRESS RELEASE

Singapore, 13th September 2013

**VELCAN ENERGY: SUCCESSFUL FILING OF HEO HEP
TECHNO-ECONOMIC STUDIES (INDIA)**

Velcan Energy announces that it has successfully filed with the Indian Central Electricity Authority (CEA) the Detailed Project Report (DPR) of the Heo Hydroelectric project (240 MW), located in Arunachal Pradesh, India. The DPR was submitted on 15th July 2013 and the CEA recently communicated its acceptance for examination.

The DPR is the consolidated aggregate of more than 15 separate detailed studies including items such as geology, topography, hydrology, civil design and electro-mechanical engineering, cost analysis and financing. These studies are the result of continuous and constructive dialogue between Velcan Energy's teams, national regulators and State authorities.

This successful filing is the result of five years of field investigations which at times involved up to 100 workers on site, as well as thorough technical and economic analysis of the project.

Velcan Energy is optimistic that the filing will lead to a Techno-Economic Clearance (TEC) by the CEA in the second half of 2014. This clearance will then allow Velcan Energy to begin negotiations for a Power Purchasing Agreement (PPA) with possible clients. The studies detailed in the DPR show that this project can produce electricity at a competitive price for clients in India.

Once built, the Heo project is expected to have an installed hydropower generation capacity of 240MW. It should generate 1078GWH per year based on Design Energy, equivalent to the consumption of 1.75 million people in India¹. Given electricity prices in India, this project could generate EBITDA of approximately USD60m per annum when it starts producing power.

Heo is the middle project in a cascade of three projects developed by Velcan Energy on the same river. Thus, the Company will optimize workflow and reap as many economies of scale as possible. These three concessions are expected to have a combined hydropower generation capacity of 571MW. Overall Capital Expenditure is expected to be in the vicinity of USD700m.

Velcan Energy is optimistic that the technical abilities of its engineering teams and financial managers will make the Heo project a profitable investment for the duration of the 40 years concession and ultimately will help foster sustainable economic growth in India.

Furthermore, the recent fall in the Indian rupee has made coal imports significantly more expensive, making hydroelectric generation more attractive.

Velcan Energy's management would like to thank the many organizations, former and present Velcan Energy team members, engineering companies, local and national authorities, local population representatives and individuals who have been involved in this five years process.

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¹ Based on average per capita consumption of 616 Kwh in 2010 (source : World Bank)

About Velcan Energy

- Velcan Energy (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 650 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.
 - Velcan Energy is active in countries with huge untapped hydroelectric potential; 84,000 MW in India, 180,000 MW in Brazil, 75 000 MW in Indonesia and 26,000 MW in Laos.
- As of May 2013, Velcan Energy :
 - finished building and has put into operation its first hydroelectric concession in Brazil (15 MW)
 - owns rights related to hydroelectric concessions projects amounting to over 628 MW in India, Brazil and Laos
 - has two pre-concessions in the Lao PDR for a total of 88 MW.,
 - is at an advanced stage of prospecting in Indonesia with construction expected to start by year-end 2013.
- Velcan Energy's technical team is composed of industry veterans who either have deep knowledge of their home countries or have worked on some of the most high-profile and challenging international projects.
- Velcan Energy is headquartered in Paris and employs over 50 people in its administrative offices (New Delhi, Singapore, Vientiane, Jakarta and São Paulo) and its 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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