

PRESS RELEASE

Singapore, 4th December 2013

VELCAN ENERGY ANNOUNCES CONSORTIUM AGREEMENT WITH PLN SUBSIDIARY TO CO-DEVELOP A 59MW HYDROPOWER PROJECT IN ACEH

Velcan Energy announces that it has signed an exclusive Consortium agreement with PT PJB (PT Pembangunan Jawa-Bali), a 100% subsidiary of Indonesia's national power utility PT PLN. The consortium will co-develop the 59MW "Meureubo 2" Hydropower project in the Aceh province of Sumatra, Indonesia.

Velcan Energy started the development of Meureubo 2 in 2011 and incorporated the PT Aceh Hydro Power company as the special purpose vehicle for this project.

Velcan Energy will be the Consortium leader of the Meureubo 2 Hydropower Project with a 70% stake and is pleased to welcome on board PT PJB who will have a 25% stake and will be responsible for the operations and maintenance of the power plant.

The local partner PT PPC will own the remaining 5%.

The consortium plans to initiate PPA negotiations with PT PLN during the first semester 2014.

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About Velcan Energy

- Velcan Energy develops, finances and operates hydro power concessions in emerging markets. It is listed in Paris on the NYSE-Euronext exchange (ALVEL FP).
- Velcan Energy develops projects in Indonesia, India, Brazil and Laos.

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