

PRESS RELEASE

Singapore, 31st October 2013

VELCAN ENERGY: APPROVAL OF THE FEASIBILITY STUDIES AND INCREASED CAPACITY (41MW) OF NAM ANG TABENG HYDRO PROJECT (LAO PDR)

The Ministry of Energy and Mines of the Lao PDR has approved the Feasibility Studies of the Nam Ang Tabeng Hydropower Project for an increased capacity of 41 MW.

The Ministry confirms the techno-economic proposal of the Group, including an increase of installed capacity from 35 MW to 41 MW. The revision of the installed capacity results from hydrological and power potential optimisation studies conducted by the Group's Vientiane office and international experts.

The Nam Ang Tabeng Project will entail an investment in the range of USD 70 million.

The next steps consist in finalising the negotiations of the PDA (Project Development Agreement) with the Government as well as the electricity tariff with EDL (Lao Electricity Utility).

These positive developments in Lao PDR are in line with Velcan Energy's strategy of building and exploiting promising hydroelectric assets in high potential countries. The Group's project portfolio is now in excess of 700MW of capacity at various stages of development.

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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 October 2013, Velcan Energy :
 - Has built and operates its first hydroelectric concession in Brazil (15 MW)
 - owns rights related to hydroelectric concessions projects amounting to over 641 MW in India, Brazil and Laos
 - has two pre-concessions in the Lao PDR for a total of 93 MW.,
 - is at an advanced stage of prospection in Indonesia with construction expected to start in 2014.
- 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 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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