

Press release

São Paulo, 3<sup>rd</sup> June 2009

## **New Change in regulatory regime in Brazil**

The law that was voted by both chambers of parliament on 12<sup>th</sup> of May 2009 (\*1), which among other items restricted the access to hydroelectric concessions for foreign players, has been ratified with some modifications by the office of President.

The President of the Republic of Brazil has used his veto right on that part of the said law. The law does not differentiate any more between foreign and national players.

In this highly variable legal environment, the company will keep evaluating the available options for its Brazilian subsidiary. It will announce as soon as possible if and how it can pursue its development in Brazil.

\*1: see press release dated 19<sup>th</sup> May 2009

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### **Summary Information on Velcan Energy**

- Velcan Energy is a Nyse Euronext quoted Independent Clean Power Producer which builds and operates medium sized renewable energy power plants in India and Brazil
- The Company's strategy is to become a market leader in up to 100 MW renewable energy power stations in India and Brazil with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plants because:
  - Both 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 national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
  - Both countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW and Brazil with an estimated 190,000 MW
- As of June 2009, Velcan Energy
  - Operates 2 biomass power plants in India
  - Is currently building its first hydro power plant in Brazil (15 MW)
  - Owns the rights to more than 435 MW of concessions and projects in India and Brazil (Group share).

- 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 and thermal power plants.
- Velcan Energy is headquartered in Paris, and employs over 200 people, divided between its six administrative offices (Bangalore, Bhubaneswar, Dubai, New Delhi, Paris, and Saõ Paulo), its existing power plants and project sites.

#### **Disclaimer**

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