

PRESS RELEASE

Singapore, 17th December 2013

VELCAN ENERGY: SUCCESSFUL PUBLIC HEARINGS OF HEO AND PAUK HYDROPOWER PROJECTS

Velcan Energy announces that the public hearings of Heo and Pauk hydropower projects were successfully held in the District of West Siang, Arunachal Pradesh, India. Upon completion, the projects are expected to have an installed generation capacity of 240MW and 145MW respectively.

These successful public hearings are major milestones in the environmental clearance procedures of the Projects. They confirm and officially register the support for the projects by the local populations and stakeholders.

Hydroelectric projects in India, as in many countries, must be approved both on technical and on environmental and social grounds. Velcan Energy experienced delays in completing these procedures because of local disputes between inhabitants about land ownership titles. The creation of the land ownership registry is a Government matter beyond the Group's control. These disputes at times prevented access to the sites. The Group had previously tried to organize these public hearings but the local authorities had cancelled them because of the unrest generated by the land disputes.

The Environment Impact Assessment (EIA) studies the baseline environmental data (fauna, flora, soil, air quality, socio-economic conditions, etc...) whereas the Environment Management Plan (EMP) proposes measures to mitigate the impact of the project. Both reports for each project were submitted to the Government of Arunachal State Pollution Control Board (APSPCB) along with a request to organize the public consultation and the public hearing. The EIA and EMP reports were widely advertised for public comment.

The Public Hearing meetings were conducted under the authority of the Government of Arunachal Pradesh. The Deputy Commissioner of the West Siang District, representatives of the State Pollution Control Board, representatives of the local authorities, families affected by the projects and various organizations of the area attended the hearings.

Velcan Energy is now completing other formalities and incorporating the views aired at the meeting to prepare the final draft of the EIA and EMP reports. These will be submitted for Final Environmental Clearance of both projects by the Ministry of Environment and Forests in New Delhi.

Velcan Energy's management would like to thank the Government of Arunachal Pradesh for successfully organizing these hearings and would like to express its gratitude to all officials, elected representatives and people affected by these projects for their growing support.

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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 September 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 in 2014.
- Develops, through a consortium with a subsidiary of PLN and a local partner, a 59 MW hydroelectric project in Indonesia.

Velcan Energy's technical team is composed of industry veterans. 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.

Velcan Energy is listed on the Paris Stock Market (Euronext Alternext ALVEL-FR0010245803). The Company never performed any Public Offer as under the meaning of Articles L 411-2, II-4° et D 411-1 of the French monetary and Financial code.

Disclaimer

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