

PRESS RELEASE

Singapore, 8th May 2014

VELCAN ENERGY: NAM ANG HYDROELECTRIC PROJECT (41 MW) GETS ENVIRONMENTAL AND SOCIAL CLEARANCES

The Ministry of Natural Resources and the Environment of the Lao People's Democratic Republic has approved on 24th April 2014 the Social and Environmental Impact Assessment Report of the Nam Ang Hydropower Project in Attapeu province.

This decision endorses the low environmental and social impact of the project, in line with Velcan Energy's core investment policy.

The Nam Ang Hydropower project will have an installed capacity of 41 MW and will entail an investment of approximately USD 70 million.

This approval effectively puts the Nam Ang Hydropower project at the same level of progress as the Nam Phouan Hydropower project (52 MW) which Velcan Energy is also developing.

The next steps consist in finalizing the negotiation of the PDA (Project Development Agreement) with the Government of Lao PDR and the electricity tariff with EDL (Lao Electric Utility).

These latest positive developments in Lao PDR are in line with Velcan Energy's stated strategy of developing, building and exploiting promising hydroelectricity assets in countries with high potential.

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Investor Relations Contact	Europe	investor@velcanenergy.com
Nicolas Konialidis	Asia	konialidis@velcanenergy.com

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 in India, Brazil, Laos and Indonesia.

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 GW in India, 180 GW in Brazil, 75 GW in Indonesia and 26, GW in Laos.

As of May 2014, 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 860 MW in India, Brazil, Indonesia and Laos,
- has two pre-concessions in the Lao PDR for a total of 93 MW,
- Develops, through a consortium with a subsidiary of PLN and a local partner, a 59 MW hydroelectric project in Indonesia.

Velcan Energy employs over 50 people in its 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° and D 411-1 of the French monetary and Financial code.

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. This information constitutes objectives attached to projects and shall 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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