PRESS RELEASE

Singapore, 21st March 2014

VELCAN ENERGY: ANNUAL RESULTS 2013

SIGNIFICANT GROWTH OF PORTFOLIO OF CONCESSIONS IN DEVELOPMENT (MW), NET RESULT HIT BY EURO APPRECIATION, EBITDA IN STRONG PROGRESS

MAIN FIGURES

	2013	2012	Var. %
Revenues (EUR m)	**4.6**	**4.9**	**-6%**
EBITDA (EUR m)	**1.2**	**0.3**	**+296%**
Net Income (EUR M)	**-4.1**	**4.3**	**-197%**
Shareholder Equity (EUR m	**117**	**129**	**-9%**
Cash and marketable securities (EUR m)	**84**	**91**	**-8%**
Concession Portfolio	**860 MW**	**628 MW**	**+37 %**
Book value per share (EUR) (net outstanding equity)	**19.6**	**21.4**	**-8%**
Shares Outstanding net of Treasury Shares (‘000)	**5,985**	**6,020**	**-0.6 %**

During Fiscal Year 2013 Velcan Energy consolidated its existing portfolio and concentrated it on a smaller number of projects with satisfactory probabilities of realization. Significant progress on these key projects has allowed the Group to grow its portfolio of projects in development by 37% to 860 MW. In 2013, broad cost-cutting efforts, in particular the cut in the number of Indonesian projects, allowed an improvement of EBITDA despite a decline in turnover caused by the appreciation of the Euro relative to the Brazilian Real. These efforts should continue to bear fruit in 2014.

In India, the Group continued the development of its hydroelectric concessions in Arunachal Pradesh that were granted in 2007. Its teams are working on land acquisition and on obtaining all necessary administrative clearances. The Group announced important milestones as it successfully submitted the Detailed Project Report (DPR) for Tato-1 (186 MW) and Heo (240 MW). These DPRs were accepted for examination by the Central Electrical Authority (CEA). Velcan Energy aims to obtain the Techno-Economic Clearance (TEC) for Tato-1 and Heo during 2014 or early 2015 depending on the CEA's administrative process. The Group also announced that the public hearings for all three projects in Arunachal Pradesh (Heo, Pauk and Tato-1) were successfully held. These hearings are decisive steps in order to obtain environmental clearances.

In Indonesia, the Group continued to consolidate its portfolio and to work on its projects. It announced in July that it held rights for three projects at various stages of advancement, totaling 128MW. The Group also signed an exclusive agreement with PT PJB, a wholly-owned subsidiary of the national utility PT PLN for the joint development of a 59 MW project, Meureubo 2. However, the weakening of the Indonesian Rupiah led the Group to put on hold a number of projects under 10 MW capacity.

In Laos, the Group, active there since 2010, announced new advances with the validation of the Feasibility studies for both Nam Phouan and Nam Ang Tabeng as well as the granting of the environmental clearance for Nam Phouan. These projects are being developed in partnership with ECI (Electrical Construction and Installation). Furthermore, capacity for Nam Phouan was revised from 25 MW to 52 MW and that of Nam Ang Tabeng from 35 MW to 41 MW. Finally, the Group also revised upwards the probability of success on Nam Ang Tabeng and wrote back the existing provision on development costs on this project which has been in development since 2011.

In Brazil, the Rodeio Bonito Hydropower plant (15 MW) ran without any technical problems. The operating and financial performance of the plant were satisfactory but the weakening of the Brazilian Real and the remedial actions taken by the Brazilian government following the drought of 2012 weighed on the EBITDA when expressed in Euros (EUR 3.1m in 2013 vs EUR 3.5m in 2012). The MME (Ministério de Minas e Energia) decided (« Resolução nº 03 du 06/03/2013 ») that all agents of the electricity market should partake in the incremental cost caused by the utilization of thermal plants. This regulatory change hit Rodeio Bonito's EBITDA (-EUR 0.4m). Turnover amounted to EUR 4.6m, of which EUR 4.4m from electricity sales and EUR 0.2m for sales of carbon credits.

Net Financial Income for the group amounted to EUR -3.5m in 2013, of which EUR +3m of income excluding Foreign Exchange (FX) and derivatives variations. This income compares to EUR 4.2m in 2012 following, in part, the sale of Indonesian bonds.

The overall impact of FX on the Financial Income is a loss of -EUR 3.7m to which must be added an unrealized loss of EUR 2.3m on derivatives (FX forwards and options), mainly because of the weak USD (-4.5% on the year) and Singapore Dollar (-8.1%).

The significant depreciation of Emerging Market currencies in 2013 relative to the Euro (Brazilian Real -20.5%; Indian Rupee -17.6%, Indonesian Rupiah -31.9%) weighed heavily on conversion reserves as the Group's main investments (tangible and intangible) have been done in local currency.

Operating costs are down sharply from 2012 (-31%). The Group continues its cost-cutting policy in order to improve EBITDA in 2014. Costs have continued to come down materially during the first quarter of 2014.

Depreciation and amortization of tangible and intangible assets of Rodeio Bonito plant amounted to EUR 1.2m.

Velcan Energy's balance sheet is very healthy. The Group has no debt has a cash and cash equivalent position of EUR 84m. The asset side includes the capitalized expenses of projects in development (EUR 13.8m) and the Rodeio Bonito Hydropower plant in operations (EUR 18.8m). Excluding foreign exchange variations, Rodeio Bonito's revenues and financial income cover the Group's operating and development expenses.

The number of shares outstanding (net of Treasury shares) amounts to 5,984,908.

After this eighth fiscal year, Velcan Energy has the following objectives:

In the short term, to start building a second hydroelectric plant, most likely in Indonesia or Laos.

In the medium term, to make its Indian concession (571 MW) completely economically viable.

During the studies and development phase prior to construction, Group equity is invested in short and medium term instruments, mainly in fixed income, money markets and bank balances as well as equities. These investments are in Euros, US Dollars, Singaporean Dollars and Indonesian Rupiah.

The Board of Directors does not recommend that the company pay a dividend for Fiscal Year 2013.

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FINANCIAL RESULTS

Summary Balance Sheet as of 31/12/2013 (EUR '000)

ASSETS	2013	2012
NON CURRENT ASSETS	**36.932**	**39.158**
CURRENT ASSETS	**85.054**	**92.328**
o/w cash & cash equivalents	84.046	90.901
TOTAL ASSETS	**121.986**	**131.486**

LIABILITIES	2013	2012
Equity, Group Share	117.360	128.822
Minority Interests	52	74
TOTAL EQUITY	**117.412**	**128.896**
NON-CURRENT LIABILITIES	**2.553**	**1.556**
CURRENT LIABILITIES	**2.042**	**1.033**
Of Which Bank Debt	-	-
TOTAL LIABILITIES	**121.986**	**131.486**

Summary income statement for Fiscal Year ending 31 Dec 2013 (EUR ‘000)

	2013	**2012**
Revenues	4.596	4.907
Operating expenses (excluding Amortization & provisions)	(3.409)	(4.608)
EBITDA	**1.187**	**299**
Amortization & provisions	(1.991)	(1.039)
Financial income (loss)	(3.484)	4.805
Income tax	164	194
Minority interests	32	30
Net result, group share	**(4.092)**	**4.290**

Cash Flow statement for Fiscal Year ending 31 Dec 2013 (EUR ‘000)

	2013	2012
Gross Cash Flow before financial interests and income tax	4.203	1.142
Income tax	(562)	(537)
Change in operating working capital	202	(1.599)
CASH FLOW FROM OPERATING ACTIVITIES	**3.843**	**(994)**
Change in consolidation scope	(11)	-
Net tangible and intangible investments	(4.599)	(5.140)
Disposals and other investment flows	(302)	(2)
CASH FLOW FROM INVESTMENTS ACTIVITIES	**(4.912)**	**(5.143)**
Dividend paid and capital increase	13	1
Net Debt Contracted / Reimbursed	56	-
Net financial interest	(3.483)	4.805
Capital Increase	-	-
Acquisition of own shares	(368)	(3.744)
CASH FLOW FROM FINANCING ACTIVITIES	**(3.782)**	**1.063**
Impact of currency, accounting practices and other	(2.004)	(1.090)
OPENING CASH & CASH EQUIVALENT	**90.901**	**97.065**
TOTAL CASH FLOWS FOR THE PERIOD	**(6.854)**	**(6.164)**
CLOSING CASH & CASH EQUIVALENT	**84.046**	**90.901**

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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 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; 84,000 MW in India, 180,000 MW in Brazil, 75 000 MW in Indonesia and 26,000 MW in Laos.

As of March 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'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 Saõ 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.