



## PRESS RELEASE

Singapore, 28th September 2015

### **VELCAN ENERGY: CAPITAL GAIN ON SALE OF ITS TWO LAOS PDR PROJECTS**

Velcan Energy announces a capital gain on the disposal of its interest in its Nam Phouan and Nam Ang hydroelectric projects that have a cumulated capacity of 93 MW in Laos PDR. The Group share of the projects was 70 MW. This interest has been sold for a total consideration of USD 7 million. This divestment will have a material positive impact on the net income and the cash flow of the Group in 2015.

Velcan has been present in Laos PDR since 2009 and conducted extensive surveying and development work, resulting in techno-economic Feasibility Studies and Environmental and Social Impact Assessments for both projects. During this period, the Group obtained the clearance of the technical studies, the environmental clearances and a pre-concession agreement. The Power Purchase Agreement (PPA) had not been concluded yet. Velcan's interests in these projects have been purchased by an Asian private investor

Jean-Luc Rivoire and Antoine Decitre, co-CEOs of the Group declared: *“Strategically, this transaction will allow Velcan to focus on the development of its other projects where it expects better financial returns than the ones available in Laos PDR. The valuation of our share in the projects at USD 100,000 / MW at pre-PPA stage confirms that the Group generates value through its project development capability.”*

*Velcan Energy is transitioning towards the construction phase of several projects and will thus concentrate its human and financial resources. Management's foremost priority is to capture long-term returns from attractive hydroelectric assets in emerging countries at the lowest possible risk for the company and its shareholders.”*

After this transaction, Velcan's portfolio of hydroelectric assets in operations and exclusive concessions in development amounts to 803 MW of capacity.

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**About Velcan:**

Velcan develops and operates hydro power concessions in emerging markets with untapped potential. Hydro power can be an important contributor to the economic development of these countries. The Company's strategy is to become a market leader in hydro power concessions up to 200 MW. It is currently targeting India, Brazil and Indonesia for its investments.

As of September 2015, Velcan:

- Has built and operates its first hydroelectric concession in Brazil (15 MW),
- Owns rights related to hydroelectric concessions projects amounting to 803 MW in India, Brazil and Indonesia,
- Actively develops, jointly with a subsidiary of PLN and a local partner, a 59 MW hydroelectric project in Indonesia.
- Has begun construction of Suka Rame, a 7 MW run-of-the-river hydroelectric plant in Sumatera, Indonesia.

Velcan has offices in Luxemburg, Singapore, New Delhi, Jakarta and Saõ Paulo and maintains personnel on its concession sites.

Velcan is listed on the Paris Stock Market (Euronext Alternext/Ticker ALVEL/ISIN FR0010245803).

Velcan never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

**Disclaimer**

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*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.*

*This announcement does not constitute a public offering ("offre au public") nor an invitation to the public or to any qualified investor in connection with any offering. This announcement is not an offer of securities in the United States of America or in any other jurisdiction/country.*