



PRESS RELEASE

New Delhi, 30th October 2015

VELCAN ENERGY: FOREST CLEARANCE FOR ITS THREE PROJECTS IN INDIA (571 MW)

The Forest Conservation Division of the Indian Ministry of Environment, Forests and Climate Change (the Ministry) has granted Stage-1 clearance for the diversion of forest land for the construction of Velcan Energy's three hydroelectric projects (571 MW) in accordance with Sections 2 and 3 of the Forest (Conservation) Act, 1980.

Velcan's initial applications submitted in December 2010 were diligently examined by the State Government Forest Department and, after several site surveys, cleared and forwarded to the Central Government in December 2013 and July 2014. In 2014, a specific procedure was conducted by the State Government and Velcan with the local people of the project areas under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act (2006) whereby the villages' councils gave their consent to the proposed use of land for implementing the projects.

After thorough scrutiny and four meetings, the Forest Advisory Committee, a committee of independent experts of forestry and high level central government officials, recommended the issuance of the stage-1 clearance to the Ministry. The approval is granted for the purpose of implementing the three hydropower projects as follows:

- The diversion of 47.1 Ha of forest surface land for Heo Project (240 MW)
- The diversion of 47.7 Ha of forest surface land for Tato I Project (186 MW)
- The diversion of 79.1 Ha of forest surface land for Pauk Project (145 MW)

The Stage 1 of the permit is essential as it entails the decision to authorize the use of forest land for industrial purpose. The entire land required for the implementation of the Projects has been classified as Forest Land, and therefore the authorisation encompasses the entire projects' sites. The approval contains various standard conditions related notably to the compensatory afforestation program (reforestation) and other forestry activities. Stage 2 Forest Clearance will be issued after compliance with those conditions by both the State Government and Velcan, and will authorize Velcan, from a forest regulations angle, to take possession of the land.

Overall, these three projects will have a small environmental imprint relative to their installed capacity of 571 MW. This environmental efficiency has always been a determining

criterion for Velcan in the development the projects. In all three cases, it is important to note:

- The total land impacted by the Projects is of a small size,
- No wildlife sanctuary will be affected in the vicinity,
- Reforestation of approximately 380 Ha of degraded forest, i.e. representing the double of the forest land to be diverted for the projects.
- None of these projects entail any relocation of populations.

This stage-1 Forest Clearance will also allow Velcan to request the MOEF – Environment Division – to formally issue the Environment Clearances that were approved in April 2015.

Jean-Luc Rivoire and Antoine Decitre, co-CEOs of the Group declared: *“This approval reflects eight years of determined work by Velcan. Our Indian team in particular, both in New Delhi and in Arunachal Pradesh has nurtured a constructive and positive relationship with all the relevant authorities, stakeholders and local populations. We have received strong support from the local people and, and more recently from all the relevant administrations and we thank them for that. It is the first time that a 100% Foreign-owned Company has obtained such clearances for that type of project in India and that is a great achievement.*

This approval shows that these projects are environmentally sound, in line with the Group’s stated strategy. We look forward to making further progress on the development of these projects and we strive every day to bring them to the construction phase.”

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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 October 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

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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