



PRESS RELEASE

Jakarta, 1st February 2016

VELCAN ANNOUNCES ENVIRONMENTAL PERMIT FOR MEUREUBO 2 (59 MW) HYDRO IN INDONESIA

Velcan SA announces that its subsidiary PT Aceh Hydro Power has been granted the Environmental Permit for the Meureubo 2 (59 MW) hydropower project by the Regency of the West Aceh province in Sumatera, Indonesia.

This permit is an important step towards the completion of all the necessary procedures for Velcan's flagship project in Indonesia. It is a prerequisite for obtaining the Forest Land Use Permit.

Velcan started the development of Meureubo 2 in 2011 and incorporated the PT Aceh Hydro Power Company as the special purpose vehicle for this project. Velcan leads the Consortium of the Meureubo 2 Hydropower Project with a 70% stake alongside PT-PJB with a 25% stake. PT-PJB is a fully-owned subsidiary of National Utility PT-PLN and will be responsible for the operations and maintenance of the power plant. PT-PPC, Velcan's local partner for this project, owns the remaining 5% of the consortium.

Jean-Luc Rivoire and Antoine Decitre, co-CEOs of the Group declared: *"This approval is another important milestone for Velcan in Indonesia. It reflects five years of determined work by Velcan.*

Our Indonesian team in particular, both in Jakarta and in Aceh has nurtured a constructive and positive relationship with all the relevant authorities and stakeholders.

We would like to thank the many organizations, former and present Velcan team members, engineering companies, local and national authorities, local population representatives and individuals who have been involved in this process.

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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 February 2016, 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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