



PRESS RELEASE

Jakarta, 23rd February 2016

VELCAN AMENDS THE CONSORTIUM OF THE MEUREUBO 2 PROJECT (59 MW) AND PREPARES FOR PPA AND TARIFF NEGOTIATION

Velcan SA and PT.PJB (fully-owned subsidiary of National Utility PT-PLN) have amended their consortium agreement in view of submitting the project proposal to PT.PLN (Persero) and negotiating the tariff at which PT.PLN intends to purchase the electricity from the Meureubo 2 Hydropower plant for 30 years.

The original agreement executed in October 2013 established the consortium for the co-development of the Meureubo 2 Hydropower Project, as well as the distribution of the consortium members' roles and equity stakes. Project technical feasibility studies and various administrative procedures were conducted since then under the consortium agreement.

Following the letter of "*direct appointment*" from the Ministry of Energy and Mineral Resources received in August 2014 and the selection of the consortium (through Velcan's special purpose vehicle) as exclusive qualified prospective developer of the project in January 2015, PT.PLN issued the RFP (Request For Proposal) for the Meureubo 2 project in October 2015. The procurement process through which PT.PLN purchases electricity from Independent Power Producers consists of such RFP, issued, in case of hydropower, to developers of projects from which PT.PLN intends to purchase power.

The RFP requires the consortium to present, on an exclusive basis, the project detailed features, costs and financing structure, and to offer a tariff for the power to be supplied through the Power Purchase Agreement proposed by PT.PLN.

The bid submission date was initially scheduled on the 31st of December 2015, but its extension is under discussion in order to take into account the amendment of the consortium and to provide subsequently more time to prepare the detailed proposal which must include notably expressions of interests from lenders, financial institutions, EPC contractors and equipment manufacturers.



The teams of Velcan SA and PT PJB are currently working on a daily basis to finish the bid documents for a new expected bid submission date in March 2016. PT.PLN and the consortium will then enter a tariff negotiation phase, should the consortium manage to fulfil all criteria requested by PT.PLN in the RFP.

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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

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