



PRESS RELEASE

Luxemburg, 2nd March 2016

VELCAN S.A. ANNOUNCES PROSPECTION IN SOLAR POWER

Velcan SA announces that it has started prospection for solar power projects. Over the last 5 years the cost of solar modules has dropped by 80 pct, solar power is now a credible electricity generation solution for a number of cases, especially for sunny emerging countries.

In the long term hydroelectricity sourced power is cheaper than solar power as installations can last for more than a hundred years. But in the short term solar power has the advantages of being fast and easy to build, helping to bring rapidly low carbon electricity to markets. Barriers to entry being lower than in hydropower, long term margins and IRRs may be lower. This is probably compensated by faster development cycles and lower development costs.

The Group considers that adding solar power to its hydro power capabilities will place it in a better position to answer the needs expressed by the Governments and Regulating Authorities of emerging markets.

The Group has set up its own team of prospection and has been studying recently a number of different opportunities.

The Group is now working on securing the concession for several projects, and will keep the market updated of the progress of these projects on a regular basis.

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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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