



## Press release

Paris, Bangalore – 10 April 2006 – 5.00 pm

### **Velcan Energy starts up first power plant in India**

**Velcan Energy, first French electric utility in India,  
one of the world's biggest electricity supply markets**

**Velcan Energy becomes the first French electric utility in India, with 100% ownership of an Indian power plant. Following the acquisition of Indian company Satya Maharshi Power Corporation Limited, Velcan Energy India Ltd, subsidiary of French green energy company Velcan Energy, takes possession of a 7.5 MW power plant in the Indian state of Andhra Pradesh, enabling it to start up electricity generation operations in India 12 months earlier than initially planned.**

*For Velcan Energy MD Antoine Decitre "This first power plant comes as the result of two years' work in India, culminating in a two-month on-site mission by French technical personnel working hand in hand with our Indian team to validate the technical quality of the production system, prior to handover on 9 April. India (along with China) is set to become one of the world's biggest electricity supply markets. Because this operation makes us the first French electric utility in India, it provides an excellent illustration of our dynamic capabilities, and confirms the wisdom of our industrial strategy. The next stage will be to step up investments and acquire units capable of meeting our production and quality criteria, and to build new plants, as required.*

The Satya Maharshi power plant, now owned by **Velcan Energy India Ltd**, was commissioned in July 2004, and runs off agricultural residues bought from the local population. Cotton stick and rice husk are the two main fuels. Electricity is sold under a ten-year contract to Aptransco, the Andhra Pradesh State department responsible for electricity supply.

Decentralized electricity production using local renewable primary energy sources (such as biomass and watercourses) is a highly relevant solution in India:

- Renewable energy sources are competitive, because of low production costs and abundant availability of biomass and water resources.
- The European model of centralized electricity generation is inapplicable owing to the poor coverage and low quality of electricity transmission networks.

The plant represents an industrial investment of €7.5 million, which Velcan Energy India is financing through the bank consortium involved since the site was initially built. This organization, made up of four Indian banks —State Bank of India, Corporation Bank, Punjab, Sindh Bank and Andhra Bank— approved the arrival of Velcan Energy India Ltd as majority shareholder, demonstrating the quality of the project and personnel.

This acquisition brings the overall Velcan Energy workforce to 80.

Velcan Energy India Pvt Ltd is a wholly-owned subsidiary of Velcan Energy. It is currently developing 34 green energy projects in India: 19 hydroelectric projects, 14 biomass projects and one biogas project.



*The Satya Maharshi power plant is located near Vijayawada, in the Guntur district of the state of Andhra Pradesh, India. The head office of Satya Maharshi Power Corporation Limited is at Hyderabad, capital of the Indian state of Andhra Pradesh.*

**Velcan Energy SA is a French company specializing in green energy production, chiefly involving electricity generation using biomass combustion and hydroelectric technologies. Velcan Energy has two sources of revenue: sale of energy (electricity and steam) and sale of carbon credits.**

**Velcan Energy's operates in India through the subsidiary Velcan Energy India Pvt Ltd, and in Brazil through the subsidiary Velcan Desenvolvimento Energetico do Brasil Ltda.**

**Velcan Energy is listed on the Paris Stock Market (Euronext, MLVEL) and is a member of the Paris carbon credit exchange, Powernext Carbon.**

**Shareholders:**

- Financière Saint Merri SA (leading shareholder Crédit Agricole)
- Private investment funds in France and UK

**Sites:**

- France: Paris (Velcan Energy SA)
- India: Bangalore (Velcan Energy India Pvt Ltd)
- Brazil: São Paulo (Velcan Energy Brazil Ltda)

[www.velcan.fr](http://www.velcan.fr)

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**Velcan Energy** is a green energy producer

**Velcan Energy** is listed on the Euronext Paris stock market under the code MLVEL