



Trading in Velcan Energy shares suspended in preparation for a private placement of at least €40m

Paris, 27 April 2006

On the request of Velcan Energy, the listing of Velcan Energy shares (MLVEL) was suspended on 26 April 2006 in preparation for an imminent financial operation.

This suspension move is part of the launch and realization of a new share issue of at least €40 million, in the form of a private placement solely with qualified investors.

Trading in the shares should resume around 11 May 2006 with the announcement of all information regarding the terms of the placement. Euronext Paris issued a notice on the suspension of the listing, which is also available on the company's website.

The last closing price at 25 April was €29.

Velcan Energy SA is a French company specializing in ecological 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 CDM credits.

Velcan Energy operates in Brazil through the subsidiary Velcan Desenvolvimento Energético do Brasil Ltda and in India through the subsidiary Velcan Energy India Pvt Ltd.

Velcan Energy is listed on the Paris Stock Market (Euronext, MLVEL) and is a member of the Paris CDM 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: Sao Paulo (Velcan Desenvolvimento Energético do Brasil Ltda)

Workforce: 80

www.velcan.fr

Contact details

Velcan Energy
Jean-Luc Rivoire
Chairman
+55 (11) 3443 6324

Actus
Press relations
Chantal Farant
+33 (0)1 53 67 35 86

Velcan Energy
75 bd Haussmann, 75008 Paris, France – www.velcan.fr

Velcan Energy is an ecological energy producer.
Velcan Energy is listed on the Euronext Paris stock market (code MLVEL).

Disclaimer

This announcement does not constitute a public offering (appel public à l'épargne) or an invitation to the public in connection with any offering described herein. The offer and sale of the shares in France will be made only to qualified investors (investisseurs qualifiés) acting for their own account, within the meaning of article L. 411-2 of the French monetary and financial code and French Decree n°98-880 of October 1, 1998.

This announcement is not an offer of securities in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The selling shareholder and the company do not intend to register any portion of the planned offer in the United States or to conduct a public offering of securities in the United States.

This announcement is only directed at (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order"), as amended, or (iii) persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The shares referred to in this announcement are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The information contained in this document does not constitute an offer of securities for sale in the United States, Canada, Japan or Australia."