



Paris, 5 september 2006

## Press Release

### **VELCAN ENERGY obtains a 10 MW electrical licence in Karnataka**

Velcan Energy India Pvt Ltd has obtained from Karnataka Udyog Mitra, the government of Karnataka agency responsible for Industrial policy, a licence to set up a 10 MW Power Plant. Velcan Energy India Pvt Ltd is a 100% Indian subsidiary of Velcan Energy.

This power plant will be part of a chemical industrial complex that will use the ashes of the power plant to produce precipitated silica.

The industrial complex will be located in the district of Mysore. The city of Mysore, where the IT Industry giant Infosys has set up its Global Education Training Center, has a population of more than 1 million inhabitants.

With a population of a 56 million inhabitants, the State of Karnataka (Capital city Bangalore) is India's ninth largest in terms of population. Its capital is Bangalore.

The State installed production capacity is 6 000 MW with an annual production of 24 TWh. The shortage at time of peak consumption is estimated at 1 000 MW.

Antoine Decitre, Managing Director of Velcan Energy says : “ We are very honoured to have been granted this licence. This is the result of months of team work. This proves that our competences in biomass power generation are fully recognised by the Indian authorities. The location of this licence, in the state of Karnataka, is strategic for our future development, considering the tremendous growth of the region of Bangalore and the needs of infrastructure”

**Velcan Energy** is a French company specializing in green energy production, mostly 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** operates in Brazil through its subsidiary Velcan Desenvolvimento Energético do Brasil Ltda and in India through its subsidiary Velcan Renewable Energy Pvt Ltd.

Velcan Energy is listed on the Paris Stock Market (Euronext, MLVEL) and is a member of the Paris carbon credit exchange, Pownext 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 Renewable Energy Pvt Ltd)

Brazil: Sao Paulo (Velcan Desenvolvimento Energético do Brasil Ltda)

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**Velcan Energy** is a green energy producer.

**Velcan Energy** is listed on the Euronext Paris stock market (code MLVEL).

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