

## Press Release

31 May 2007, Bhubaneswar

### **Velcan Energy: First significant hydropower concession in India. 30-year 50-MW concession in Orissa State.**

Velcan Energy announces the grant of the Baitarani 1 & 2 concession totalling 50 MWs.

Velcan Energy was granted two 30-year 25-MW hydropower concessions through two of its wholly-owned subsidiaries on 30 May 2007.

#### **Baitarani**

The Baitarani project consists of two dams, Bhimkund (25 MWs) and Tarini (25 MWs), within five kilometres of each other on the same river in Orissa State 130 kilometres from the State's capital Bhubaneswar. The two sites will be managed as a single project.

The project must now get all the environmental and administrative authorisations required for start-up of the construction phase. This administrative phase should last approximately two years:

- Start of construction: second quarter of 2009
- Generation start-up: last quarter of 2011
- Locations of the sites: 21°31'38.15"N, 86°0'23.95"E (Tarini), 21°29'14.93"N, 86°1'46.23"E (Bhimkund)
- Estimated power generated: 200,000 MWh per annum
- Estimated carbon credit generation: 210,000 CERs per annum

#### **Total financial performance expected of Baitarani 1 & 2**

<b>K Euros</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Turnover</b>	3 898	15 963	16 343	16 735
<b>ebitda</b>	3 390	13 882	14 158	14 441
<b>%</b>	87%	87%	87%	86%
<b>Net Income</b>	1 528	6 415	6 862	7 337
<b>%</b>	39%	40%	42%	44%

View of the Baitarani River at the project site



Antoine Decitre, Velcan Energy's managing director, says: "We are very happy with this first fine concession in India. Although much remains to be done, this proves that our hydropower development team in India is now operational. This team should enable us to announce several contracts of that size before the end of the year. It fits in with our strategy which, now that we are now firmly established, is to concentrate on larger, 50 to 100 MW sites in order to attain our new objective of 1000 MWs of hydropower concessions in India.

"The context of our growth in India is as favourable as ever. The free market price of electricity is still on an uptrend, as is the carbon credit price."

## Velcan Energy's portfolio in stages of progress:

	Projects under study	Concessions	Plants
Capacity	1,100 MWs	174 MWs <sup>1</sup>	15 MWs <sup>2</sup>
Year of start-up	Yet to be defined	2009-2011	2006

<sup>1</sup>74 MWs of hydropower in Brazil, 45 MWs of biomass power and 55 MWs of hydropower in India.

<sup>2</sup>Two biomass plants in India.

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**Velcan Energy** is an independent renewable electricity producer, using biomass combustion technologies and hydroelectric power plants. Velcan Energy has two sources of revenue: sale of electricity 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, Powernext Carbon.

### Shareholders:

Financière Saint Merri SA (reference 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)

United Arab Emirates : Dubaï (Velcan Energy Holdings Dubaï Ltd)

**Average payroll employees:** 150

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**Velcan Energy** is an independent green electricity producer.  
**Velcan Energy** is listed on the Euronext Paris stock market (code MLVEL).

#### **Disclaimer**

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