



Press release

Bangalore, 7th August 2009

Turbine breakdown in Satya Maharshi plant – shutdown of operation

On 22nd July, the rotor of the turbine of Satya Maharshi biomass based thermal plant (7.5 MW) broke down while turning at full speed, for reasons which are still unknown.

Fortunately, no fatal injury was registered; however some of the staff members suffered minor injuries. The turbine was totally destroyed and the plant suffered important material damages.

Operation shutdown period is not known yet, but it seems likely to last not less than 6 months. Expertise is in progress.

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Summary Information on Velcan Energy

- Velcan Energy is a Nyse Euronext quoted Independent Clean Power Producer which builds and operates medium sized renewable energy power plants in India and Brazil
- The Company's strategy is to become a market leader in up to 100 MW renewable energy power stations in India and Brazil with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plants because:
 - Both countries suffer from serious under capacity in electricity production, particularly India where an estimated 650 million people do not have regular access to electricity
 - Under capacity has led to both national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
 - Both countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW and Brazil with an estimated 190,000 MW
- As of June 2009, Velcan Energy
 - Operates 2 biomass power plants in India
 - Is currently building its first hydro power plant in Brazil (15 MW)
 - Owns the rights to more than 435 MW of concessions and projects in India and Brazil (Group share).
- Velcan Energy's technical team is composed of industry veterans and is one of the most experienced in the world in the construction and operation of hydroelectric and thermal power plants.

- Velcan Energy is headquartered in Paris, and employs over 200 people, divided between its six administrative offices (Bangalore, Bhubaneswar, Dubai, New Delhi, Paris, and São Paulo), its existing power plants and project sites.

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