



Press release

Paris, 25<sup>th</sup> January 2010

## **VELCAN ENERGY: AGREEMENT TO DEVELOP 300MW IN LAOS**

VELCAN Energy has signed a Joint Venture agreement with the Lao People's Democratic Republic (Lao PDR) state-owned Company Electrical Construction and Installation (ECI).

The companies have agreed to jointly develop several hydropower plants with installed capacities below 50 MW each. The target is to build a portfolio of 300MW in Lao PDR.

ECI is a Lao Government company under the Ministry of Energy and Mines. ECI focuses its activity on distribution of electricity, grid maintenance and extension as well as rural electrification. ECI has been chosen by the Lao Government to be its representative for small hydropower projects up to 50MW.

Antoine Decitre, co-Managing Director of VELCAN Energy says:

“Laos is a country gifted with a significant hydropower potential of 28 000 MW. As of today, only 1 670 MW has been built. Laos needs power for domestic consumption and can also export to its neighbours Thailand, Vietnam, Cambodia and China. We are glad to have added Laos as a new investment possibility for VELCAN Energy. So far our relations with the Government of Lao PDR have been excellent. The Government and its various administrations have been very helpful. With its important know-how and connections, ECI is an ideal partner for VELCAN Energy to invest in Lao PDR.”

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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, Brazil and Laos with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plants because:
  - These 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 Indian and Brazilian national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
- Laos has a strategic position in South-East Asia, and can export to high power-demand growing countries such as Thailand, Vietnam, Cambodia and China.
- These countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW, Brazil with an estimated 190,000 MW and Laos with an estimated 28 000 MW.
- As of January 2010, Velcan Energy
  - Operates 2 biomass power plants in India
  - Has commissioned 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).
  - Has an agreement to develop 300 MW in Laos.
- 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.

#### **Disclaimer**

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