



Press release

Bangalore, 12th March 2010

VELCAN ENERGY: SALE OF RITHWIK POWER PLANT

The Velcan Energy group announces that it has sold its biomass powered 7.5 MW Rithwik Power plant situated in Andhra Pradesh, India. According to the sale agreement the exact amount of the transaction has to be kept confidential. The transaction will have a positive impact on the 2009 accounts as part of the provision that had been booked on this plant can be reversed.

Antoine Decitre, Co Managing Director of the group says “we are glad to have found a suitable buyer for this plant. It is our strategy now to focus only on hydropower. So whenever we find a buyer willing to pay the right price for a non strategic asset, we sell it. We took special care to find a buyer who would take great care of the team that previously worked for Velcan Energy which is definitely the case with the new owner.”

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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 1 biomass power plant 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

This press release contains prospective information about the potential of the projects in progress and/or of the projects of which the development has begun. These information constitute objectives attached to projects and shall, in any case, not be construed as direct or indirect net income forecast of the concerned year. Reader's attention is also drawn on the fact that the performance of these objectives depends on future circumstances and that it could be affected and/or delayed by risks, known or unknown, uncertainties, and various factors of any nature, notably related to economic, commercial or regulatory conjuncture, which occurrence could be likely to have a negative impact on future activity and performances of the Group.

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