

Press release

Vientiane, 28<sup>th</sup> September 2010

## **SIGNING OF FIRST HYDRO POWER PRE CONCESSION IN LAOS**

On Friday, 24<sup>th</sup> September 2010, Velcan Energy has signed its first hydro power project in Laos. The company and its local partner Electrical Construction and Installation (ECI) have signed a Memorandum of Understanding (MoU) with the Government of Laos for the development of the Nam Phouan project.

This MOU gives the Velcan Energy-ECI consortium the exclusive right to investigate the hydropower potential of a site situated in the Hom district, in the Vientiane province on the Nam Phouan River.

The approximate geographical coordinates of the project are N18.820 E103.365. The current studies have shown a potential of 25 MW.

The technical studies will last approximately 18 months. If they confirm that the site is technically feasible and economically interesting, the consortium has the exclusive right to ask the Government of Laos to be granted the full concession on the Nam Phouan project.

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### **Summary Information on Velcan Energy**

- Velcan Energy is a Nyse Euronext listed 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 200 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 September 2010, Velcan Energy
  - Has commissioned its first hydro power plant in Brazil (15 MW).
  - Owns the rights to more than 660 MW of concessions and projects in India, Brazil and Lao (Group share).
  - Has an agreement with the Lao Government 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 100 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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