



PRESS RELEASE

New Delhi, 31th July 2015

VELCAN RECEIVES TECHNO-ECONOMIC CLEARANCE FOR HEO HYDROPOWER PROJECT IN INDIA (240 MW)

The Indian Central Electricity Authority has issued the Techno-Economic Clearance for Heo Hydro Electric Power Project, a 240 MW project in Arunachal Pradesh. Heo HEP Project is the largest and most advanced in a cascade of three projects totaling 571 MW on the Yarjep River that Velcan has been developing since 2007.

The Detailed Project report (DPR) approved by the CEA had been submitted in July 2013. All of its technical and economic features were examined by 19 separate directorates. The approval thus validates and sets the technical characteristics, the costs estimates and the tariffs of the forthcoming hydropower plant. This TEC is only the fifteenth Clearance given to a hydropower project by the CEA for all of India since early 2013.

Once built, the Heo project will generate a gross 1,000 million units per annum at a competitive price, based on Design Energy. The implementation budget for Heo HEP is of USD 250m for a construction period of 50 months after Financial Close. The concession period is set at 40 years after commissioning.

This clearance allows Velcan Energy to begin negotiations for a Power Purchase Agreement (PPA) with prospective clients and seek financing with various interested parties and banks. With energy sales, net of the State's share, amounting to 861.47 million units (based on Design Energy at a levelized price of 3.8 rupees, turnover will be USD 51m per annum at current exchange rates.

Jean-Luc Rivoire and Antoine Decitre, co-CEOs of the Group declared: *"This approval is an important milestone for Velcan in India. It endorses eight years of field investigations involving up to 100 workers on site, as well as thorough technical and economic analysis of the project conducted with the utmost degree of professionalism."*

Velcan's Indian projects are set to benefit from the growth of the national economy and the planned improvement of the physical infrastructure. Velcan Energy is proud to contribute to the modernization of a region with much potential.

We would like to thank the many organizations, former and present Velcan Energy team members, engineering companies, local and national authorities, local population representatives and individuals who have been involved in this process."

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About Velcan:

Velcan develops and operates hydro power concessions in emerging markets with untapped potential. Hydro power can be an important contributor to the economic development of these countries.

The Company's strategy is to become a market leader in hydro power concessions up to 200 MW. It is currently targeting India, Brazil, Laos and Indonesia for its investments.

As of July 2015, Velcan:

- Has built and operates its first hydroelectric concession in Brazil (15 MW),
- owns rights related to hydroelectric concessions projects amounting to over 896 MW in India, Brazil, Indonesia and Laos,
- has two pre-concessions in the Lao PDR for a total of 93 MW,
- Develops actively, jointly with a subsidiary of PLN and a local partner, a 59 MW hydroelectric project in Indonesia.

Velcan has offices in Luxemburg, Singapore, New Delhi, Vientiane, Jakarta and São Paulo and maintains personnel on its concession sites.

Velcan is listed on the Paris Stock Market (Euronext Alternext/Ticker ALVEL/ISIN FR0010245803).

Velcan never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

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. This information constitutes objectives attached to projects and shall 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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