



PRESS RELEASE

New Delhi, 3rd December 2015

VELCAN'S THREE INDIAN PROJECTS (571 MW) RECEIVE ENVIRONMENTAL CLEARANCE

The Indian Ministry of Environment, Forests and Climate Change (the Ministry) has issued the Environmental Clearance (EC) for Velcan Energy's three hydroelectric projects (571 MW) in accordance with the Environmental Impact Assessment Notification (2006) and its subsequent amendment (2009).

The issuance of Stage-1 clearances for the diversion of forest lands in view of the construction of Velcan Energy's three hydroelectric projects was a prerequisite for these ECs. Velcan announced the receipt of these clearances on 30th October 2015 and, in accordance with applicable regulations, Velcan requested that the MOEF grant the Environmental Clearances that it had previously approved in April 2015.

Cumulating the Techno-Economic clearance, Environment Clearance and Forest Clearance Stage-1 puts the 426 MW Heo-Tato 1 tandem amongst the most advanced private greenfield hydro projects above 100 MW in the Indian Himalayas. The Environmental Clearances enumerate a number of general and specific conditions that Velcan must abide by while implementing the projects, including a plan of social and economic benefits for the local people, biodiversity and wildlife management plan and compensatory reforestation.

Overall, these three projects will have a small environmental imprint relative to their installed capacity of 571 MW, notably because their small land requirement does not impose any displacement of population. This environmental efficiency has always been a determining criterion for Velcan in the development the projects.

Velcan has been developing since 2007 this cascade of three hydroelectric projects that includes Pauk (145 MW), Tato-1 (186 MW) and Heo (240 MW). Tato-1 and Heo have received their Techno-Economic Clearances in 2015. These two projects have a combined implementation budget of USD 480m, a construction period of 50 months after Financial Close and will generate an aggregate 1,552 million kWh. The levelized tariffs are 3.80 rupees (price level of 2020 as per CEA methodology) per kWh for Heo and 4.40 rupees (idem) per kWh for Tato-1. The estimated annual average turnover will be USD 97m and the average EBITDA USD 81m during the first 10 years of operations, at current exchange rates.



This estimate is the net amount received by the hydro power plants. In the Indian market transmission costs are borne separately by the purchasers and paid to Power Grid Corporation of India (PGCIL), the national transmission utility or any other entity operating the concerned transmission infrastructure.

Progress on Pauk continues at a pace commensurate with the technical characteristics of the project.

Jean-Luc Rivoire and Antoine Decitre, co-CEOs of the Group declared: *“This approval is another important milestone for Velcan in India.*

The combination of Heo and Tato-1 constitutes an integrated project that enjoys excellent natural characteristics and therefore will produce electricity at low unit costs amongst the recently approved similar projects in India. The development of India’s North-Eastern region is gathering pace. We are seeing both upgrades of the physical infrastructure and an improved regulatory environment.

India has committed to a very challenging agenda to contribute in the fight against climate change. Renewable energy is a key component of that plan. Velcan’s projects are completely in line with the plans of the Government of India.

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 and Indonesia for its investments.

As of December 2015, Velcan:

- Has built and operates its first hydroelectric concession in Brazil (15 MW),
- Owns rights related to hydroelectric concessions projects amounting to 803 MW in India, Brazil and Indonesia,
- Actively develops, jointly with a subsidiary of PLN and a local partner, a 59 MW hydroelectric project in Indonesia.
- Has begun construction of Suka Rame, a 7 MW run-of-the-river hydroelectric plant in Sumatera, Indonesia.

Velcan has offices in Luxemburg, Singapore, New Delhi, Jakarta and Saõ 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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