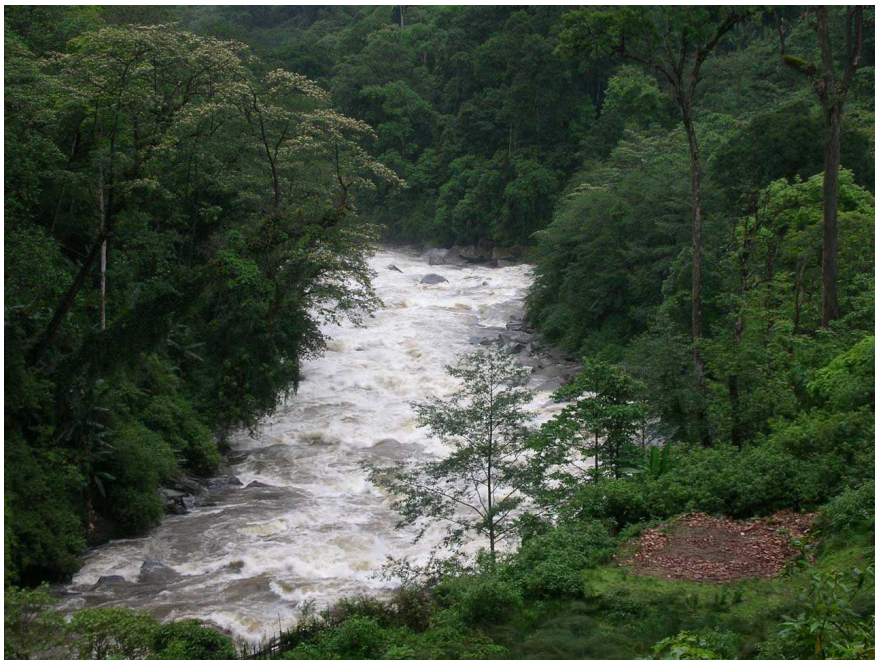


Independent Clean Power Producer, VELCAN ENERGY Plc, wins over 300 MW of hydroelectric concessions in India

Velcan Energy, the Emerging Markets Independent Clean Power Producer, is pleased to announce that its wholly owned subsidiary, Velcan Energy Holdings (Dubai) Ltd, has been granted four concessions for the building of hydroelectric power stations.

The four concessions (Pauk 50mw, Heo 90mw, Tato I 80mw, Hirit 84mw), located in the north east Indian State of Arunachal Pradesh on tributaries of the Siom river, in the West Siang district are for a total of 304 MW of installed capacity and have been granted for duration of 40 years from the first day of operation. As part of the contract for the concession, the State of Arunachal Pradesh will receive 12% of total production without cost. It is planned that all four concessions should be operational by 2012.

At present projected energy prices, annual cumulated revenue and EBITDA of the concessions would exceed approximately €91 and €84millions respectively.



Velcan Energy intends to finance the four projects through a combination of project and Islamic 'sukuk' finance. It is expected that this funding is to be secured in Dubai. The management of Velcan Energy believe that sukuk's focus on securitization of capital with fixed assets is ideally suited to the financing of utility projects and is considering using this form of instrument for future concessions within India.

The negotiation of this deal was conducted by a global team composed of Jean-Luc Rivoire, Group Managing Director, based in Saõ Paulo, VK Sharma, Hydro Executive Director at Delhi office, and Benoit Laborie, Director of the Dubai subsidiary.

Commenting on the concessions win Managing Director of Velcan Energy, Jean-Luc Rivoire, said

'We are very pleased with this second major hydroelectric concession in India. We remain, to date, to the best of our knowledge, the only foreign firm to have won such a contract.'

This is another key stage in our long term strategy of building a portfolio of medium sized renewable energy stations within the subcontinent, which we believe will generate superior return for investors by the provision of clean energy to the local market.'

For information and enquiries, either visit our website at www.velcan.fr or contact the following:

Press Contacts:

Paris: Calyptus – Marie-Anne Garigue
Tel: + 33 (1) 53 65 68 63

Dubai: Bell Pottinger Middle East
Allen Mgaith: +971 50 345 9393
Elaine Boucher: +971 50 422 9680

London: Cardew Group – Rupert Pittman, Jamie Milton
Tel: + 44 (0) 207 930 0777

Velcan Contact:

Antoine Decitre
Managing Director
Tel: + 33 (1) 42 68 51 08

ISIN Code: FR0010245803

Summary Information on Velcan Energy

- Velcan Energy is a Euronext quoted Independent Clean Power Producer which constructs and operates medium sized renewable energy power plants in India and Brazil
- The Company's strategy is to become a market leader in 50 to 100 MW renewable energy power stations in India and Brazil with a particular focus on the hydroelectric sector. Conditions are favourable for this type of plant because:

- Both 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 national governments liberalizing the state controlled electricity market and allowing increased private and foreign competition
 - Both countries have huge untapped hydroelectric potential; India with an estimated 100,000 MW and Brazil with an estimated 190,000 MW
- Velcan Energy's goal is to obtain concessions for, construct and begin operation of 1 700 MW between India and Brazil
- As of July 2007, Velcan Energy
 - Has begun operation of 2 biomass power plants in India
 - Is starting in July 2007 the construction of its first hydro power plant in Brazil
 - Obtained over 359 MW of hydroelectric concessions in India and 74 MW in Brazil
 - Is undertaking negotiations and investigations to acquire concessions and plants in operation in India and Brazil. The company has currently more than 3 000 MW under evaluation.
- Over the lifetime of the concessions, approximately 5% of Velcan Energy's revenue is derived from the trade in carbon credits (CERs) generated, under the Kyoto Treaty, by the operation of renewable energy power plants, and normally sold direct to European and Japanese Industry
- 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. During the course of their careers, team members have been responsible for or significantly involved in the construction of
 - the Itaipu dam in Brazil (14,000 MW, still the biggest hydro power plant in the world)
 - the Naptha Jakri dam in India (1,500 MW, still the biggest running hydro power plant of India)
 - the Porcheville thermal power plant in France (coal based 2,400 MW power plant, still the biggest solid fuel based power plant in France)
- Velcan Energy is headquartered in Paris, and employs over 150 people, divided between its six offices (Bangalore, Bhubaneswar, Dubai, New Delhi, Paris, and Saõ Paulo)

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 during the current financial year. 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.

This announcement does not constitute a public offering (appel public à l'épargne) nor an invitation to the public or to any qualified investor in connection with any offering. This announcement is not an offer of securities in the United States or in any other jurisdiction/country.