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Velcan Energy is the first French company to import Carbon Credits from India.

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Paris, Bangalore – 12 December 2005 - Velcan Energy, with operations currently in France, India and Brazil, develops and finances for its own account renewable energy based installations that generate Carbon Credits.

On 10 December 2005, the Executive Board of Clean Development Mechanism (CDM) of the Kyoto Protocol, based in Bonn, registered the first Carbon project for Velcan Energy.

This project relates to the construction of 5,500 methane biogas plants in Bagepalli, in Karnataka, India. These plants will produce both methane, which will be used locally for domestic cooking, and Carbon Credits that will be imported and sold in Europe by Velcan Energy.

This project requires an investment of € 1.1 million and construction will be completed in August 2006. It will produce 19,500 tons of carbon credits per year for a minimum of 7 years: this can be renewed twice at the request of the promoters. Carbon credits are currently priced at € 20 to € 22.

This project enables the families concerned to cease deforestation and the burning of kerosene in their kitchens. The uncontrolled destruction of vegetation causes desertification in developing countries. The domestic use of kerosene encourages the onset of severe respiratory illnesses among women and children exposed to fumes. The project will avoid the destruction of 15,100 tons of wood and the combustion of 170,000 kg of kerosene. The project will be implemented with the logistics support from an Indian NGO.

Antoine Decitre stated: "We are very proud to be the first French company to have succeeded in obtaining approval for a Carbon Credit project in India. We have received the successive approvals from the Indian and French authorities and the Executive Board of CDM. Among the thousands of projects currently under development worldwide, only 46 have been approved. And only three other French companies have successfully met this challenge: Rhodia, Lafarge and Vélolia.

This registration confirms our ability to successfully manage the importing of Carbon Credits through the CDM, a process which Nelly Olin, French Environment Minister, has just announced its acceleration. This initial success confirms the soundness of our business decisions and will lead to increase in our investments in this area. "

Velcan Energy SA is a French investment company that specialises in Carbon Credits and projects based on renewable energy, including biomass (Biomass Electricity Generating Stations, Gasification, Biogas, Bio fuel)

Velcan Energy SA is listed on the Paris Stock exchange (Euronext, MLVEL) and is a member of the Paris carbon credit exchange, Powernext Carbon.

Shareholders: o Financière Saint Merri SA (principal shareholder: Crédit Agricole) o French and UK investment funds, public

Operations: o France: Paris (Velcan Energy SA) o India: Bangalore (Velcan Energy India Pvt Ltd) o Brazil: Sao Paulo (Velcan Energy Brazil Ltda)

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Press

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