



Paris, 10 May 2006

## **Communiqué**

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### **Results of the capital increase without preferential subscription rights in the form of a private placement announced on 27 April 2006**

#### **Funds raised €50,000,000**

Velcan Energy has announced that it has carried out a capital increase without preferential subscription rights in the form of a private placement with qualified investors, led by Calyon / CA Cheuvreux.

The definitive terms of the transaction were set on 10 May 2006 by the Company's Board of Directors. The number of new shares issued is 1,725,000, equal to 30.29% of the Company's share capital and voting rights after the transaction.

At the end of the book-building period with institutional investors from 2 to 10 May 2006, the Board of Directors set the subscription price of €29.00 per share.

The new shares will bear current dividend rights and will be fungible with existing shares as of the issue date.

The shares have a face value of €0.1 per share and are all in the same category.

The listing of the old shares will resume on 11 May 2006. The new shares will be listed as of 16 May 2006, the settlement and delivery date of the capital increase.

The funds raised will help to finance Velcan Energy's expansion plans in India and Brazil.

**Velcan Energy SA is a French company specializing in "green" energy production, mostly involving electricity generation using biomass combustion and hydroelectric technologies. Velcan Energy has two sources of revenue: sale of energy (electricity and steam) and sale of CDM credits.**

**Velcan Energy operates in Brazil through its subsidiary Velcan Desenvolvimento Energético do Brasil Ltda and in India through its subsidiary Velcan Energy India Pvt Ltd.**

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

**Shareholders:**

Financière Saint Merri SA (leading shareholder Crédit Agricole)  
Private investment funds in France and UK

**Sites:**

France: Paris (Velcan Energy SA)  
India: Bangalore (Velcan Energy India Pvt Ltd)  
Brazil: Sao Paulo (Velcan Desenvolvimento Energético do Brasil Ltda)

**Workforce: 80**

**[www.velcan.fr](http://www.velcan.fr)**

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**Velcan Energy** is an green energy producer.  
**Velcan Energy** is listed on the Euronext Paris stock market (code MLVEL).

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