

**Velan Inc.**

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VELAN BOOKS LARGE VALVE CONTRACT FOR INDIAN POWER PLANTS

Velan Inc. announced that its German sales distribution subsidiary, Velan GmbH, has booked an order of more than US\$20 million to supply valves to a Russian boiler manufacturer for three 660 megawatt units of the Barh supercritical coal-fired power plant in India. The customer in India is NTPC Limited (National Thermal Power Corporation), the largest state-owned power-generating company in India.

Velan GmbH offers an integrated supply of complete valve packages to European engineering companies and users. This order includes high-pressure gate, globe, and check valves and steam traps manufactured by Velan, as well as safety valves with silencers, control valves, butterfly valves, and actuators manufactured by six other companies in Europe.

The Velan valve offering of forged high-pressure valves includes six large 20" motor-operated forged gate valves in F91 material for 2900 special class service. These valves have the Velan patented Ultraflex™ high-pressure and high-temperature wedge design and unique one-piece closed-die body forging for superior quality and long-term performance.

These power plants use super-critical steam generation, whereby water is instantly converted into steam without passing through the boiling phase. Supercritical power plants operate at higher pressures and temperatures to improve efficiency and reduce fuel consumption and greenhouse gas emissions. NTPC recently commissioned its first supercritical power plant at Sipat where Velan GmbH also supplied valves for a similar integrated supply order with a turbine manufacturer in Russia.

Stefan Wingerath, President of Velan GmbH, stated "This important order is the culmination of several years of work with our Russian customer, the engineering company, and NTPC in India. We are proud to be a part of India's development of supercritical power plants."

About Velan GmbH

Velan GmbH provides procurement, expediting, technical resources, and valve project management services to its customers, offering complete valve packages to European engineering companies and valve users.

About Velan

Velan Inc. (www.velan.com) is a world-leading designer and manufacturer of industrial valves. The Company employs over 1,800 people and has manufacturing plants in 10 countries. Velan Inc. is a public company with its shares listed on the Toronto Stock Exchange under the symbol VLN.



Safe Harbour Statement

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

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