

**Velan Inc.**

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PRESS RELEASE

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FOR IMMEDIATE RELEASE

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Velan awarded nuclear valve contracts worth US\$16.2 million (€11.8 million)

Velan SAS, Velan Inc.'s wholly owned subsidiary located in Lyon, France, has been selected by CNPE (China Nuclear Power Engineering Co., Ltd.) and as a result, the CNEIC (**China Nuclear Energy Industry Corporation**) awarded an important contract to Velan for the supply of nuclear-classified gate and globe valves for the two new nuclear power plants of FuQing Units 3 and 4 located in Fujian province, China. The scope of supply is mainly high-pressure forged valves complete with electric or pneumatic actuators for service inside nuclear containment. These valves are scheduled for delivery from 2012 until 2014.

Velan also signed significant contract amendments with CNPEC for the third generation C-EPR nuclear power plant under construction at Taishan and has been awarded aftermarket contracts from DNMC (Daya Bay Nuclear Power Operations and Management Co.) for onsite nuclear services, including the safety upgrade of a competitor's nuclear valves at LingAo units 3 and 4, and for the supply of spare parts.

Combined, the above contracts represent a value of US\$16.2 million (€11.8 million). Michel Monier, Director of Nuclear-China at Velan, stated: "After supplying nuclear valves for all nuclear projects handled by CNPE (formerly BINE), such as Qinshan units 1, 2, 3, and 4, Fangjiashan units 1 and 2, ChangJiang units 1 and 2, and FuQing units 1 and 2, we are honored to further contribute to the development of nuclear projects managed by the CNNC (Chinese National Nuclear Corporation), and to consolidate our technical relationship with CNPE in Beijing."

Tom Velan, President and CEO of Velan, stated: "This contract is our first new nuclear contract since the Fukushima incident in Japan. Velan is actively and continuously working with Chinese EPCs to provide advanced valve design and improvements that are helping to increase the safety level of existing and future NPPs."

About Velan: Velan Inc. is a world leading manufacturer of industrial valves. Velan Inc. is a public company with its shares listed on the Toronto Stock Exchange under the symbol VLN. 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. As a result, readers are advised that actual results may differ from expected results.

A handwritten signature in black ink, appearing to read "T.C. Velan". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

T.C. Velan
President