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PRESS RELEASE

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FOR IMMEDIATE RELEASE

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VELAN WINS AN IMPORTANT NUCLEAR CONTROL VALVE CONTRACT

MONTREAL, QUEBEC

Velan Inc. announced today that it has been awarded an important contract valued at over \$6 million with CNPEC for 124 nuclear bellows seal control valves (DN 8 to DN 300) for two third-generation EPR plants in Taishan, People's Republic of China.

"These control valves are designed and manufactured to very specific requirements," said Michel Monier, Velan's Director of Nuclear Projects for China. "They are cobalt-free, feature modulating electric actuators, and are built to handle stringent switch-off failure requirements. Over the years we've done a lot of work worldwide with control valves for cryogenics and LNG, liquefied gases, aerospace facilities, and other specially engineered valves for high performance processes. Now we're bringing this expertise into the nuclear segment of the market."

The control valves are designed and manufactured by Velan's French subsidiary located in Lyon. Velan has long been a leader in the nuclear industry and established a company to manufacture nuclear valves in France more than 35 years ago. Since then, Velan France has grown considerably, continuing to specialize in highly engineered valves for the nuclear and LNG industries. Velan France has recently invested \$5.6 million to further expand its facilities to support its growing nuclear business with third-generation nuclear plants and to ready itself for upcoming orders for a growing number of fourth-generation plants worldwide.

Velan Inc.'s President, Tom Velan, said "We've been a nuclear valve supplier since the 1950s and a leader in supplying forged gate, globe, and check valves and technical services to the global nuclear industry. With these new orders, we've expanded our range to include nuclear control valves as well. Velan is the company with the widest range of nuclear valve operating experience including PWR, BWR, ABWR, Candu (PHWR), VVER, and Pebble Bed (PBMR) reactors worldwide. We are also supplying valves for the first EPR nuclear plants."



Velan manufactures a world-leading range of cast and forged steel gate, globe, check, ball, triple-offset, knife gate, highly engineered severe service valves, and steam traps offering superior performance across all major industrial applications.

Except for historical information provided herein, this press release may contain information and statement 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 consideration, 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.

A handwritten signature in black ink, appearing to read "T. Velan".

T.C. Velan
President