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PRESS RELEASE

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FOR IMMEDIATE RELEASE

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MONTREAL, QUEBEC

Velan opens new offices and plant in India

On Monday, December 3, 2012, Velan Valves India Pvt. Ltd. (VVI), a wholly owned subsidiary of Velan Inc. located in Coimbatore, Tamil Nadu, India, opened its new manufacturing plant in a special inauguration ceremony, presided over by Mr. Tom Velan, President and Chief Executive Officer of Velan Inc. Mr. Stewart Beck, Canadian High Commissioner to The Republic of India, was the guest of honor and spoke about the tremendous growth in Indo-Canadian business. He also made positive comments about the expected signing of the Nuclear Cooperation Agreement between the Canadian and Indian governments.

According to Mr. Ramesh Babu, Managing Director of VVI, "This new plant will complement the strong sales force we currently have in India. It will target the growing utility power market and the refinery segment. Velan is a preferred vendor to the existing National Thermal Power Corporation (NTPC) super critical projects and, with the opening of this new plant, we are now physically closer to the customer and will be in a position to offer faster deliveries at competitive prices. Velan products are currently in use in many of the petrochemical refineries, conventional and nuclear power plants, fertilizer plants, and aerospace industries in India and we look forward to strengthening and enhancing our engagement in this important and growing market."

Mr. Tom Velan, President and Chief Executive Officer of Velan Inc., states: "India's energy industries have become an important market for our products and for many years Indian suppliers have been part of our global supply chain. Many of India's valve manufacturers, machine shops, and forging and casting suppliers are located in Tamil Nadu province so it is a good place to find experienced people and suppliers. The opening of our Indian production plant represents another important step in growing our manufacturing base in Asia."

The new 100,000-square-foot plant represents an investment of approximately US\$10 million for Velan and a growing commitment to serving the needs of the burgeoning industries in this important emerging country. VVI will begin producing small forged valves and there are future plans to expand into other products that cater specifically to the Indian energy and fertilizer markets.



About Velan: Velan Inc. (www.velan.com) is a world-leading manufacturer of industrial valves with sales of \$437 million in its last reported fiscal year. The company employs over 2,000 people and has manufacturing plants in ten countries. Velan Inc. is a public company with its shares listed on the Toronto Stock Exchange under the symbol VLN.

This press release may contain information and statements of a forward-looking nature concerning the future performance of Velan Inc. and its subsidiaries. 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.