

OTHER INFORMATION

Budapest, 20 September 2013

Non-repayable grant to PannErgy Plc's subsidiary

Under the grant application scheme KEOP-2012-4.10.0/B, "Satisfaction of local heat and/or cooling demands with the use of renewable energies" announced within the framework of the Environment and Energy Operational Programme of the New Széchenyi Plan, the proposed project of Kuala Kft. owned by PannErgy Plc, "Geothermal energy, professional expertise serving the economy" has been awarded a non-repayable grant.

A HUF one billion non-repayable grant has been awarded to the proposed project of Kuala Kft. owned by PannErgy, the **"Geothermal energy, professional expertise serving the economy"** in the grant application scheme, "Satisfaction of local heat and/or cooling demands with the use of renewable energies" announced within the framework of the Environment and Energy Operational Programme of the New Széchenyi Plan. The goal of the project is to satisfy the heat demands of the Downtown and University District of Miskolc City of County Rank currently supplied by the Tatár Street Heat Works partly from geothermal energy.

"In the second phase of the Geothermal Project of Miskolc opened in May, a heat transmission line is being constructed to the Tatár Street Heat Works, where a new heat transfer station will be built, in order to carry heat energy from geothermal sources to the downtown consumers. With the use of the European Union funds, there is now an option to cover the heating and sanitary hot water demands of the Downtown and University District of Miskolc partly from geothermal energy. With the deployment of the second phase, the volume of the supplied geothermal heat energy will increase by at least 40 percent. In line with the objectives that we have set earlier, the improved utilization of our current production capacities will be implemented with optimized operation. Our investment will indirectly reduce hazardous material emission, as primarily with the decreased volume of natural gas consumption less greenhouse gases will be released, which considerably diminishes environmental loading . Péter Tóth, PannErgy Plc's Chief Executive Officer, member of the Board of Directors.

PannErgy Plc

