

23 December 2013

## EXTRAORDINARY INFORMATION

### **PannErgy's group entity has entered an agreement with AUDI HUNGARIA MOTOR Ltd for the supply of clean, geothermal heat energy for 17+15 years**

PannErgy Plc hereby advises the capital market actors that on 20 December 2013 a heat supply agreement was made between its subsidiary, DD Energy Production and Service Ltd (DD Energy) and AUDI HUNGARIA MOTOR Ltd. Under this agreement, DD Energy as a heat producer will supply clean heat energy from geothermal sources to the Győr-based plants of AUDI HUNGARIA MOTOR Ltd. The Parties have accepted that the services contemplated in the agreement that has been signed by the two companies can be renewed for an additional term of 15 years.

The first half of 2014 will see the commencement of the first phase of the Geothermal Project of Győr to be implemented in the agglomeration of Győr City of County Rank, in the framework of which a production and reinjection well will be drilled. On the basis of the preliminary information, the planned volume of geothermal heat supply will be 367,200 GJ p.a. The investment as a whole targets the installation of cc. 22 MW capacity.

PannErgy's group entity is planning to realize the Geothermal Project of Győr partly from the HUF 1 billion non-repayable grant awarded under the European Union grant scheme no. KEOP-2012-4.10.0/B.

*"The Geothermal Project of Győr is the next important milestone of our strategy. The execution of the agreement signifies the successful closing of one of the essential phases of the project's preparative works. Within the meaning of the agreement made for 17+15 years, PannErgy's subsidiary has committed itself to supply 367,200 GJ heat annually to the company boasting of the largest engine manufacturing facilities in the world, and the second largest sales revenues in Hungary, whose heat demand will therefore be covered partly from geothermal sources. We are proud that that we can contribute to the successes of one of Hungary's most dynamically growing companies, thereby increasing the domestic added value in AUDI HUNGARIA MOTOR Ltd's production" – declared Péter Tóth, PannErgy Plc's Chief Executive Officer, member of the Board of Directors.*

## **PannErgy Plc**

