

OTHER INFORMATION

Budapest, 15 August 2012

The preliminary technical works associated with the drilling of the third reinjection well of Kistokaj have been commenced.

Fifteen days after the completion of the drilling works of the second reinjection well of Kistokaj, PannErgy's coworkers have started to deepen the third and at the same time the last well (KIS-PE-02) of the Geothermal Project of Miskolc.

Following the drilling operations for the second reinjection well, today has seen the relocation and installation of the drilling equipment and technical units to geothermal well unit KIS-PE-02. Besides the technical works preceding the last well-drilling operations, the construction of the Mályi. Kistokaj. Miskolc heat transmission line is under way. The terrain correction works for the construction of the heat exchanger unit of Kistokaj have also been completed, and therefore the general contractor has launched the foundation engineering works.

We hope that in just a few weeks time we will be able to fully conclude the drilling works connected with the Geothermal Project of Miskolc, and focus solely on the heat transmission and delivery investments. The first section of the last reinjection well of Kistokaj will be drilled from 30 meters to 700 meters, followed by profiling, then 13-3/8" pipe casing and cementing. Thereafter, we will advance to a depth of 1000. 1100 meters . where the Triassic limestone layer is expected to lie . with the application of directional drilling having been successfully used for the making of well KIS-PE-01B. Provided that this rock layer is properly fractured, it will be certainly suitable for fluid reinjection. Our coworkers are likely to withdraw from the site of the completed well as early as in September . declared Balázs Bokorovics, Chairman of PannErgy Plc's Board of Directors.

PannErgy Plc