

## **EXTRAORDINARY INFORMATION**

### **Successful completion of the drilling of the reinjection well in Kistokaj**

Budapest, 30 November 2011

**Started at the end of September, the drilling works of the reinjection well KIS-PE-01 of Kistokaj have been successfully completed.**

In the first part of the drilling operation performed in subsequent phases, works progressed without geologic or technical difficulties, and as a result the 13 3/8+ safety casing pipe column could be installed at a depth of 714 meters with the construction of the cement mantle.

In the second phase, however, several fluid loss zones, as well as various technical and technological hardships resulted in the deceleration of work. After the elimination of the losses, with the drive shoe being at 1311 meters, the insertion and cementing of the 9 5/8+ hanged casing pipe column were successfully implemented. The efficiency of the works was confirmed by the tightness tests conducted under pressure.

The drilling reached the limestone of the Bükk Plateau deemed to be the storage layer at around 1100 meters. In the last phase, fluid transport points were found at a number of locations, and especially in the range of 1684. 1688 meters intense cracks needed for reinjection could be found. With total fluid loss, the works were continued to reach the well bottom lying at a depth of 1744 meters, and finally the terminal assembly could be installed, as well.

Although the execution of some of the drilling phases turned out to be more complicated and time-demanding than what had been expected, we have been able to complete the drilling works of the reinjection well in Kistokaj nearly in line with the planned schedule. Following these drilling works for KIS-PE-01 that we have just efficiently concluded, we are commencing the preparations for the drilling operation of the following reinjection well in Kistokaj still in this year. We also foresee that the number of wells in this region will further increase in the first quarter of next year. Concurrently with the drilling operation in Kistokaj, the construction works of the pipeline network providing for our connection to the City of Miskolc were launched, and therefore the city can have an inexpensive and environmentally friendly source of district heating with the use of geothermal energy as early as in the heating season of 2012. said Balázs Bokorovics, Chairman of PannErgy Plc's Board of Directors.

**PannErgy Plc's Board of Directors**