

EXTRAORDINARY INFORMATION

Budapest, 31 July 2012

Successful drilling of the second reinjection well in Kistokaj (KIS-PE-01B)

Started in the middle of June, the drilling works of reinjection well KIS-PE-01B in Kistokaj have been successfully completed.

The drilling works of the second reinjection well in Kistokaj have been executed as expected. One month after the commencement of the works, at 1022 meters the geologic structure revealed by the drilling works showed medium and slate-blue tuff stone characteristics from the actual drilling length, and then from 1070 meters the layer formations turned into a grey field of calcite veinlets suggesting a zone of cracks.

During the exploitation drilling, total sludge loss was experienced at a depth of 1078 meters, which means that the depth of the well reached the hydrodynamic system of well MAL-PE-01 and MAL-PE-02.

The water reinjection phase calls for a layer development where the permeability of the storing formation is sufficiently high. The value of the total sludge loss has confirmed this circumstance without doubts.

The further necessary works on the well include the description of the characteristics of the revealed geothermal reservoir, the installation of the casing pipe column and the performance of hydrodynamic tests.

The drilling works of the second reinjection well in Kistokaj have been executed as expected. The expertise of our associates and the experience earned in the course of the drilling of the previous well have facilitated the boring activities commenced at the end of June. Following the preliminary terrain correction works hindered by several factors, such as the prolonged archeological excavations, we quickly reached the stone formations that are suitable for the reinjection of the cooled liquid originating from the Mályi wells and directly coming from the transmission line of Mályi. Miskolc. In parallel with the works of the second reinjection well, July saw the commencement of the construction works of the heating lines and heat centers. We hope that the third reinjection well necessitated by the high water yield of production will be located and drilled still in August. . stated Balázs Bokorovics, Chairman of Pannergy Plc's Board of Directors.+

Pannergy Plc's Board of Directors

