

07 November 2008

EXTRAORDINARY INFORMATION

PannErgy and the Municipality of Tamási have founded Tamási Geotermia Zrt.

Tamási Geotermia Zrt. has been founded with a 90% stake owned by PannErgy Plc and the remaining 10% by the Municipality of Tamási. The operations of the Company will cover the exploitation of the geothermal energy base explored in the surroundings of Tamási first for the purpose of heat and then electric power generation.

Tamási Geotermia Zrt. is commencing a drilling down to a depth of cc. 2,000 meters with a 120°C expected bottom-hole temperature.

Tamási has a potential heat market of approx. 8 MW.

Tamási Geotermia Zrt. intends to acquire grant funding for the project within the framework of the Environment and Energy Operational Programme (KEOP), and construct the necessary infrastructure with the involvement of local contractors.

PannErgy Plc's Board of Director

