

OTHER INFORMATION

25 March 2009

Update of investor information

PannErgy Plc hereby informs its investors that a month ago its partner company in geothermal drillings, Aquaplus Ltd. commenced the drilling works of a well expected to reach down to a depth of 1,700 meters in Szentlőrinc. For the time being, the drill is at a depth of 500 meters, and according to the plans it will reach the targeted depth in 30–40 days. The company expects to reach a geothermal spring of 90–95°C bottom-hole temperature and 10–30 l/s flow rate, yet the accurate values can be specified only after the performance of the appropriate tests.

In Tamási, the preparation of the drilling site is progressing as planned. Drilling works are foreseen to be started here after the arrival of the drill head, in the second half of April. In Tamási, the depth of the well will be approx. 2,200 meters to reach a spring of 100–110°C.

It seems to be considerable support in the funding of the drilling works and the entire investment that the company will submit its applications for several EU grants announced by the National Development Agency on 16 March 2009. Within the framework of the Environment and Energy Operational Programme, altogether HUF 16 billion will be available to successful applicants in 2009–2010 for the purpose of generating heat and/or electric power from green energy; projects may be granted individually with amounts from HUF 1 million to HUF 1 billion and 30–70% support intensities. In the geothermal areas of PannErgy, these support intensities will be 50–70%.

The new drills arrived in Hungary at the beginning of March, and currently they are being prepared at the business site of Aquaplus Ltd. for drilling works in Tamási.

