

EXTRAORDINARY ANNOUNCEMENT

17. December 2010.

The Board of Directors of the European Investment Bank approves (EIB) the credit facility of PannErgy Plc. to carry out geothermal projects

PannErgy Plc. hereby informs investors that the EIB today officially published on its website that based on the positive decision of its Board of Directors the status of PannErgy's credit facility had been changed into approved category.

PannErgy first contacted the Luxemburg-based European Investment Bank in 2007 in order to invite the EIB to participate in the completion of its geothermal heating and electricity strategy as a primary financier. In a first phase of the decision making process on 15 April 2009 the EIB published the appraisal of PannErgy's projects.

Dénes Gyimóthy, CEO and CFO of PannErgy has commented:

„According to the decision a EUR 110 million credit facility will be set up with favourable conditions. PannErgy is proud of achieving this success as a result of its continuous efforts lasting several years. This is the biggest EIB credit facility provided in the renewable energy sector in Hungary. The decision demonstrates the trust of the EIB and the EU in the completion of PannErgy's geothermal strategy, that fits organically the energy policy aims of the EU. The size of the credit line covers the financing needs of the long term strategy adopted by PannErgy in 2007.

It is not a secret that we have a lot of work to do before the first withdrawal of the credit as we have to elaborate the framework and structure of our cooperation. The disbursements are expected to take place in larger tranches, with the aim of refinancing several already finished projects. We would like to invite local banks to bridge finance the capex needs of the projects until the refinancing.”

Information published by the EIB can be found here:

<http://www.eib.org/projects/pipeline/2007/20070390.htm>

PannErgy Plc.