

Non-repayable government grant awarded to Miskolci Geotermia Zrt.

On the basis of the information released today via the National Development Agency's (NFU) website, PannErgy Plc hereby advises the actors of the capital market that Miskolci Geotermia Zrt., a 90% subsidiary of PannErgy Geotermikus Erőművek Zrt. has been awarded a HUF 316,000,000 non-repayable grant within the meaning of the National Development Agency's decision made on 22 February 2011.

The grant obtained in the first phase of the two-round grant application scheme of the Transport and Energy Operational Programme KEOP-4.7.0-09-2010 serves the satisfaction of local heat and cooling energy demands with the use of renewable energy resources. The funding is associated with the successful drilling activities in Mályi, i.e. the first phase of the developments around Miskolc that are to be realized in several subsequent parts. For the second phase of the two-round grant application scheme, including the establishment of the reinjection well(s) and the installation above-ground equipment, the application is expected to be submitted in the first half of 2011. In this latter case, the maximum value may be up to HUF 1 billion.

The success of the grant application is regarded to carry outstanding importance, because it has been the first time PannErgy Group has been furnished a grant in a two-round scheme. We trust that it will be a good basis for our future achievements in other, similar grant application schemes, as well.

The fund granted represents a major step towards the implementation of the first phase of the Miskolc project in 2011, and consequently the commencement of heat supply still this year.

PannErgy Plc