

## OTHER INFORMATION

Budapest, 25 June 2012

**The drilling works for the second reinjection well (KIS-PE-01B) of Kistokaj have been commenced**

**One week after the completion of the terrain correction works in Kistokaj, with the installation of the technical station also implemented, the weekend witnessed the commencement of the drilling of the second reinjection well (KIS-PE-01B) of the Geothermal Project of Miskolc.**

Following the successful installation of the drilling equipment, and after the required pressure tests and safety checks, the drilling of reinjection well KIS-PE-01B has been launched, and it is expected to accomplish its goal within a shorter period of time than earlier.

Prior to the commencement of the drilling activities, the delivery line system was effectively tested at a pressure of 210 bars, without any pressure drop. Down to 30 meters, the standpipe of the reinjection well was laid earlier, and now the 17. 1/2+ section is being deepened, currently at a depth of 300 meters, with drill-cutting sampling at every 10 meters. The optimum drilling parameters are determined by the onsite drilling engineer in the light of the behaviour of the drilled hole. The drill-cutting samples are continuously analyzed by a professional geologist.

Following our quick and success technical installation works, the closing of the activities associated with the well-drilling for the Geothermal Project of Miskolc is now at a foreseeable distance, because according to the strategy . following the works that have just been started . only the deepening of the reinjection well is ahead of us. We hope that relying on our experience earned in the drilling of the first reinjection well our experts can have fast progress with the deepening operations, and thus we will be able to report the completion of the works for the second reinjection well soon. The geologic studies and experience suggest that the rock layers being certainly suitable for the reinjection of liquids can lay much shallower than earlier, and therefore the works can be finished at a quick pace . declared Balázs Bokorovics, Chairman of PannErgy Plc's Board of Directors.+

**PannErgy Plc**