

OTHER INFORMATION

Budapest, 4 December 2012

Site inspection before the last phase of the Geothermal Project of Miskolc

Before the closing phase of the Geothermal Project of Miskolc, PannErgy Plc's management held a site inspection where the heat exchanger deployed at the Avas hydraulic station was viewed. During the site inspection, the Company's management visited the District Heating Center of Kistokaj, and conducted negotiations in relation to the potential secondary use of geothermal heat.

On recent days, PannErgy Plc's management has held an onsite inspection to view the works of the HUF 7.5 billion worth Miskolc investment in the phase right before its opening. The goal of the site visit for the Company's management has been to ensure and formulate a view of what resources and support are still demanded for the remaining part of the works.

The participants of the inspection visited the heat exchanger of approx. 16 tons and 30 Mw capacity installed and deployed at Avas hydraulic station, and participated in the pressure test of a section forming a part of the heat transmission line. The management also inspected the District Heating Center of Kistokaj, and had a meeting with the experts of the general contractor of the construction works.

In the course of the site inspection, PannErgy Plc's management conducted negotiations with contractors that saw positive prospects in the takeover and utilization of the secondary heat originating from the return branch of the heat transmission lines that was being constructed for the Geothermal Project of Miskolc. Potential exploitation opportunities in the field of agriculture and fishing were also highlighted as sources of job creation in the region.

"As the successful implementation of the Geothermal Project of Miskolc has entered its pre-opening phase, with the members of the management we have had an overview of the works that have been completed by the Company's specialists, and are still ahead in the form of a last onsite inspection. During the site inspection, we visited the Avas hydraulic station to view the heat exchanger that will ensure the heat supply of the Avas housing estate with the use of a secondary, treated heating water medium combined with the thermal water arriving from Kistokaj. Following the transmission line construction works in the city, this heat exchanger will be suitable for supplying the swimming pools, university and the city center grid via the Tatár Street node. We hope that the system will be opened after Christmas – announced Balázs Bokorovics, member of PannErgy Plc's Board of Directors."

PANNERGY Plc

