OTHER INFORMATION

Budapest, 27 September 2012

The testing of reinjection well KIS-PE-02 has been concluded, and in parallel the technical, mechanical engineering works associated with the implementation of the Geothermal Project of Miskolc have been commenced.

Recent days have witnessed the testing of reinjection well KIS-PE-02 of Kistokaj and the evaluation of the resulting data, as well as the installation of the heat exchangers and the construction of the heat transmission line.

On 20 September, hydraulic tests were commenced on reinjection well KIS-PE-02, and concurrently, with the use of the measurement probes installed in the other wells of the system, changes taking place in the wells (fluctuations of pressure and water level) were started to be registered continuously. This so-called interference testing can be applied to model what hydrodynamic relations exist among the wells, how they influence each otherÕs functioning. In addition to the tests, water sampling from well KIS-PE-02 is performed from the surface and the depth of the well.

In parallel with the tests, the construction of the heat transmission line progressed, and the technical, mechanical engineering works were begun. At the Hydraulic Station of Avas, the company started to reveal the available machine foundations in the place of the future heat exchangers, and at the same time the reinforced concrete duct of the existing heat transmission line was broken down to commence the construction of the new, connecting shaft.

The superstructure of the building of the District Heating Center of Kistokaj was completed. This week will see the startup of the installation of the tanks on the ready-made foundations.

To the District Heating Center of Kistokaj, both 14-ton titanium-plate heat exchangers were installed with a total capacity of 60 MW. The concreting works on the embankment wall of the tank farm have been completed. At the Mályi 1 pump station, plastering activities on the facility have also been started.

ñThe goal of tests on the reinjection well of Kistokaj has been to unveil the water conductivity of the formulations in the surroundings of the object, and their spatial variations. The obtained data do not only offer information in relation to the well, but allow the assessment of the hydro-geological conditions of its environment. Their determination is of outstanding significance in view of the operation of the system, because it will give way to the planning of certain parameters of the reinjection of water. The construction of the heat transmission lines is progressing as expected, concurrently with the installation and connection of the heavy mechanical engineering elements sectional pressure tests were launched. Due to the excellent weather conditions, we hope to

initiate the testing of the primary line on the first days of October, to be followed by the startup of heat supply. ï said Balázs Bokorovics, Chairman of PannErgy Plcõs Board of Directors.ò

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