

OTHER INFORMATION

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The implementation of the second phase of the Geothermal Project of Miskolc has been launched

In line with its preliminary plans, PannErgy Group has set out to implement the second phase of the Geothermal Project of Miskolc. The goal of the project is to supply geothermal heat to the Downtown and University District of Miskolc City of County Rank.

Ten months after the opening of the first phase of the Geothermal Projects of Miskolc, PannErgy Group has started the implementation of the second phase of the investment in Miskolc to supply geothermal heat to the downtown area of the City of County Rank. Recently, the Company has made considerable efforts to close the permitting and authorization proceedings needed for the construction of the environmentally friendly heating for the Miskolc downtown heat district as soon as possible. The geothermal heat supply to the Downtown and University District of Miskolc shall be realized via heat exchangers totaling up to nearly 30 MW and located at the Tatár Street Heat Works.

Concurrently with the conclusion of the contracts associated with the design and implementation works of the investment, PannErgy Group received the building permit and technical authorization for the construction of a heat transmission line of approx. four kilometers and the erection of a newly built district heating center. The construction of the second phase shall be commenced with the pipe-lying works for the heat transmission line that will start at the Avas Hydraulic Station implemented in the first phase of the Geothermal System of Miskolc. According to the plans, the new line will carry forward hot water to the heating system of the downtown area, while the returning water will reach the connection point in Avas via the existing heating lines, and there it will be reheated.

*"In line with our preliminary plans, we have succeeded in securing all the permits and authorization that are necessary for the construction of the second phase of the Geothermal Project of Miskolc. In parallel to the planning procedures and permitting proceedings, we have selected the contractors that will be involved in the further building construction, foundation engineering and ground surface works connected with the district heating system deployed in May last year. During the ground surface works associated with the investment, our Company will build a new 180 m² district heating center in Tatár Street, where heat will be fed into the existing system via three heat exchangers altogether representing nearly 30 MW capacity and two large-output pumps. Thanks to the expertise of the colleagues and the experience earned in the first phase, the partial supply of the Downtown and University heat districts with geothermal heat will be realized by the beginning of the 2014 heating season. According to our calculations, the investment to be implemented makes the annual volume of 780,000 GJ primary heat output specified in the initial plans achievable in Miskolc." **Dr. Péter Tóth, PannErgy Plc's Chief Executive Officer, member of the Board of Directors.***

PannErgy Plc