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PRESS RELEASE

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Project visit in association with the testing of the hydraulic parameters of well PER-PE-01 belonging to the Geothermal Project of Győr

Zsolt Borkai, Mayor of Győr City of County Rank and the representatives of Győr-Szol Ltd have held a project visit to see the testing of the hydraulic parameters of well PER-PE-01 belonging to the Geothermal Project of Győr. Such testing is conducted during the unsuspended operation of the well so that PannErgy could monitor the performance of the well by continuously supervising the specified parameters. The geothermal drilling of well PER-PE-01 reached the geothermal water-yielding fault zone at a vertical depth of 2300 meters. On the surface, the thermal water arriving from the final layer of drilling produces a 100–110 liters/second free-flowing water yield, while at 2300 meters the temperature of the water is 100.5 degrees Celsius (or nearly 97–98 degrees Celsius when brought to the surface).

Last week saw PannErgy's finishing operations of the drilling of thermal well PER-PE-01 in Pér, as well as the examination of the accurate hydraulic parameters of the well and aquifers. During these activities, the Company continuously runs production processes at the well, and then tests its geophysical and hydraulic factors. The revealed data will shed light on the output of the geothermal well, the expected yield and temperature, as well as the physical and chemical properties of water. The final results of testing are indispensable for the planning of the geothermal system on the surface.

At the site, Zsolt Borkai, Mayor of Győr City of County Rank expressed his delight to see Győr being a part of such a large-volume project. He emphasized that the city had a strong focus on environmental protection, as with the new investments, the organization of the European Youth Olympic Festival of 2017 they would aspire to stage "Green Olympics", i.e. environmentally friendly events and infrastructure developments. The geothermal project opens new perspectives in district heating and the field of energy consumption, and means a huge step in handling hazardous material emissions.

"*For aquifer cleaning and well testing, PannErgy has implemented its own investment, and constructed a surface production system that is capable of handling large yields and gas volumes. The key units of this system are the devices measuring pressure, yield and*

temperature, as well as the 100 cc m degassing tank for the separation of water-borne gas, alongside the large-diameter pipeline to link the well to the cooling pond used for the storage and chilling of the extracted water. During the site visit, with Zsolt Borkai, Mayor of Győr City of County Rank and the representatives of Győr-Szol Ltd we have followed the process of production and well testing, and in their presence the temperature of the produced water reached 98 degrees Celsius."– said Péter Tóth, PannErgy Plc's Chief Executive Officer.

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