

EXTRAORDINARY INFORMATION

Budapest, 21. March 2016

PannErgy is selling its ownership share in CSRG Energy Ltd.

PannErgy Plc. hereby advises the actors of the capital markets that its 93,03% owned subsidiary, PannErgy Geothermal Power Plants Ltd. (PEGE Ltd.) is selling its 100% stake in CSRG Energy Ltd to a strategic investor, which Ltd. is registered under the Hungarian law.

The long-term strategic goal of the PannErgy Group is to maximize the effective operation and maintenance of its geothermal projects. In line with the Group's objectives, PannErgy continuously supervises, reevaluates the elements of its portfolio.

Focusing on the core business, the Company has identified that subsidiaries with non-core geothermal energy operations - as CSRG Energy Ltd., which is not strictly operating geothermal systems - can be considered to be sold upon an eligible offer. In line with the above, PannErgy has accepted the favourable offer of an investment group, engaged in the usage of secondary heat energy and therefore decided to sell CSRG Energy Ltd. CSRG Energy Ltd. is having 40% strategic ownership share in Geo-Wendung Ltd., which company is utilizing the secondary heat of Miskolc. With this step, the PannErgy Group is continuing the rationalization of its portfolio elements.

The sales price is HUF 250 million, which will be settled by the buyer following the signature of the relevant contracts, in 3 tranches in cooperation with the seller. In line with that, 20% prepayment was paid, the next 20% tranche is due by 30 April 2016. The 60% of the sales price has to be paid until 40 September 2016, which can be extended to 31 December 2016 the latest. Transfer of shares to the buyer is done in line with the settlement of the tranches.

CSRG Energy Ltd. will be sold at book value, therefore no transaction result is accounted.

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

PannErgy Nyrt.

