

EXTRAORDINARY INFORMATION

Budapest, 8 September 2014

Outstanding water yield, high temperature discovered in well no. PER-PE-01 near Győr

PannErgy Plc hereby advises the actors of the capital markets that its subsidiary, DD Energy Ltd's PER-PE-01 the geothermal drilling operation reached the geothermal water-yielding fault zone in the targeted rock formation at a vertical depth of 2300 meters. Conducted after drilling, the geophysical measurements and tests have found that the water-yielding capacity of well no. PER-PE-01 exceeds PannErgy's earlier expectations in all respects. On the surface, the thermal water arriving from the final layer of drilling produces 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).

As part of the investment called the Geothermal Project of Győr, the drilling works for well no. PER-PE-01 has been implemented by PannErgy's subsidiary, Dover Drill Ltd. It took 60 days to reach the targeted depth, followed by nearly two weeks of works for the finalization of the drilling operations, well testing and evaluation. As a result of the multi-phase drilling works, the deepened well reached the fault zone in the Triassic dolomite layer at a vertical depth of nearly 2300 meters with the total loss of the drilling fluid. The successful pipe casing of the well was followed by trial production and testing with respect to the given environmental capacities so as to reveal the order and contents of rock layers, as well as the well parameters. The geophysical measurements and tests have ascertained that around 2300 meters the temperature of the thermal water was 100.5 degrees Celsius (or nearly 97-98 degrees Celsius on the surface). The production yield of the well can be considered as outstanding even in domestic comparison, i.e. it is expected to reach 150-200 liters a second with 100-110 liters/second being self-generated, that is coming to the surface without the use of pumps.

"In the light of the assessment performed so far, we have succeeded in concluding the drilling works for well no. PER-PE-01, while producing outstanding water yield and temperature, and the unit has proved to be a determining milestone in the successes of the Geothermal Project of Győr. In the light of the more than promising test data revealed after the drilling of the well, preparations for the upcoming well-drilling works are foreseen to be commenced in the second half of September. Concurrently with the establishment of well no. PER-PE-01, our Company launched the preparatory activities for the physical implementation of the pipeline network for connection to the geothermal system. With reliance on the results of the drilling activities now finished in Pér, we have the option to finalize the technical contents in connection with the Geothermal Project of Győr, plan the surface facilities needed for the operation of the system, and commence the implementation works thereafter – said Péter Tóth, PannErgy Plc's Chief Executive Officer."

PannErgy Plc