

## OTHER INFORMATION

Budapest, 15 December 2014

**Drilling operations for the second well of the Geothermal Project of Győr have been launched**

**On 7 December 2014, PannErgy Plc's subsidiary, DD Energy Production and Service Ltd started to drill well no. BON-PE-01 as part of the investment relating to the Geothermal Project of Győr. On commission of DD Energy Ltd, the works are being performed by a PannErgy entity, DoverDrill Ltd.**

Following the drilling of the first well (PER-PE-01) of the Geothermal Project of Győr in Pér and detailed examination on its hydraulic parameters, the Company has started the drilling works of the second well belonging to the Győr investment in the region of Bőny. Owing to the thorough geological preparations, the drilling operations in Pér has reached a water-bearing layer of outstandingly favourable parameters. The results of the geophysical and hydraulic studies have been found to be in line with the results measured in the course of the preliminary tests.

The drilling to be performed in Bőny has a focus on the exploration of the geothermal properties of the geological formations of the Triadic top zone, its hydrological conditions and water-yielding capacities down to a depth of approximately 2400 meters. In view of the type of drilling, it is directional deflected drilling in order to perpendicularly cross the northeast–southwest fault line whose angle of inclination has been determined to be 40–45 degrees with the use of seismic measurements. Following the obtainment of the necessary permits and the archaeological survey of the designated area, currently the drilling operations of the first phase are under way, and at the present the drilling head is working at a depth of 626 meters. In the light of the experience of the previous drilling and the forecasts concerning the successive geological layers, the deepening of the well is expected to last 70-75 days.

*"After elaborate preparations, still in this year we have successfully launched the drilling operations for the second well of the Geothermal Project of Győr, and started the terrain preparation works for the Heat Center of Bőny planned to be constructed in the vicinity of the geothermal wells, as well as the implementation of the first phase of the so-called secondary transmission line section. The entire route of the transmission line over nearly 13 km will be constructed in several stages, while the implementation of the current section of more than 8 km is expected to be completed in the first half of 2015, which will coincide with the commencement of the implementation of further line sections – declared Péter Tóth, PannErgy Plc's chief executive officer, member of the Board of Directors."*

## **PannErgy Plc**