

OTHER INFORMATION

Budapest, 21 May 2015

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

PannErgy Plc hereby advises the actors of the capital market that on 16 May 2015 its subsidiary, Arrabona Geothermal Ltd started to drill reinjection well no. PER-PE-02 as part of the investment relating to the Geothermal Project of Győr. On commission of Arrabona Geothermal Ltd, the works are being performed by a PannErgy entity, DoverDrill Ltd.

Following the preparatory works in the area commenced in the early days of May 2015 and the permitting procedure, in the surroundings of Pér Arrabona Geothermal Ltd had completed the pre-drilling preparatory tasks as a result of which 16 May witnessed the first drilling operations for the third well no. PER-PE-02 in the framework of the Geothermal Project of Győr. In view of the type of drilling executed, it is directional deflected drilling; currently the drilling operations of the first phase are under way, the drilling head is working at a depth of 760 meters. The drilling operations under way are largely assisted by the experience earned by PannErgy Group with well no. PER-PE-01 also constructed in Pér, as well as accurate geological and hydrogeological information.

PannErgy Group partly finances the realization of the investment from the grant that was awarded to Arrabona Geothermal Ltd on 20 September from the EU fund belonging to the grant application scheme KEOP-2012-4.10.0/B, "Satisfaction of local heat and/or cooling demands with the use of renewable energies" announced within the framework of the Environment and Energy Operational Programme of the New Széchenyi Plan. The "*Economic renewal with the utilization of geothermal energy in Győr*" was awarded a non-repayable grant of approximately HUF one billion.

"To keep the schedule set in the timetable of implementation, in addition to the drilling works in Pér the construction of the Heat Center of Bőny needed for the operation of the geothermal system has also been started. Currently, the foundation works are in progress, and based on the construction plans the internal mechanical engineering and electrical fitting works will begin in July. The main equipment units for heat transfer and heat supply – heat exchangers, pumps, filters, control engineering systems – have been ordered. The so-called secondary heat transmission network is currently at an 85 percent completion rate . told Balázs Bokorovics, Chairman of PannErgy Plc's Board of Directors.

PannErgy Plc

Further information:

www.pannergy.com, www.gyori-geotermia.hu

