

EXTRAORDINARY INFORMATION

Budapest, 5th of October 2015

Investment in GEO-WENDUNG Ltd.

PannErgy Plc. hereby advises the actors of the capital markets that its subsidiary, CSRG Energia Ltd. is becoming 40% shareholder of GEO-WENDUNG Ltd.

The strategic goal of PannErgy's geothermal projects is the achievement of higher utilization rate of available heat sources. In the last years, district heat production system of PannErgy was implemented in Miskolc. The excavated, on average close to boiling point geothermal fluid is utilized inter alia to heat the Avas housing estate and to supply the consumers of the downtown area. The reinjected geothermal fluid after the utilization is mostly around 55-60°C and is to be reinjected to the Earth's crust.

For the Miskolc Geothermal Project, GEO-WENDUNG Ltd.'s project has one of the largest secondary heat utilization potential, which intends to implement the geothermal energy district heating system to supply the surrounding agricultural and industrial zone of Kistokaj, Mályi and Nyékládháza. GEO-WENDUNG has obtained the Letter of Intent from its potential customers for an annual sum of 120.000 GJ heat energy in accordance with the early project development phase prior the construction of the project.

PannErgy's expressed interest is the fulfilment of the project on time, namely by the end of November 2015, thus the sale of a higher quantity of heat on less unit cost level. For this reason, CSRG Energia Ltd. (company's former name is Csurgói Geotermia Ltd.), 100% owned by PEGE Ltd., member of the PannErgy Group, acts as a strategic investor in the capital increase of GEO-WENDUNG, simultaneously with the capital increase of a Hungarian private equity fund. The total amount of the investment is HUF 250 million, resulting in the investment process a 40% ownership in GEO-WENDUNG. The entering new owners and the existing 43 shareholders have concluded a Syndicate Agreement for the regulation of their future co-ownership cooperation, which contract constitutes usual rights and obligations applicable of similar transaction for the parties involved.

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.

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