

EXTRAORDINARY INFORMATION

Budapest, 15. June 2016

Eventual discontinuation of the Gödöllő project

PannErgy Plc hereby advises the actors of the capital market that the investment in Gödöllő is about to be eventually closed.

On 18 December 2015, PannErgy Plc issued extraordinary information that implementation in line with the initial technical solution should be discontinued, and a new technical concept not requiring the availability of thermal water needed to be considered with the collaboration of PMM Commercial Ltd., an entity of the PannErgy Group. As a result of this process, it has been ascertained that primarily the commercial and economic conditions of the realization of the new process are not in place, not even the future outlooks can be regarded as promising, and therefore it is justified – also in view of the aspects that have been weighed during the decisions in relation to the earlier concept – to ultimately quit the project.

According to the preliminary calculations, the eventual write-off of the assets belonging to the project, as well as the costs of the above-ground and underground recultivation and well operation works will bring about HUF 130 million non-recurrent expenditure, the statement of which in the Company's public reports will become due in the second quarter of 2016.

PannErgy Plc

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

