

17 December 2009

Ceres Power Holdings plc

Initial manufacturing operations commence at Horsham fuel cell plant

Ceres Power announces that it has commenced manufacturing operations from the initial production line installed at the Company's mass manufacturing facility in Horsham.

Following the fit-out of the facility and installation of the key fuel cell manufacturing machines during Q2/Q3 2009 and the commissioning trials of the key production processes during Q3/Q4 2009, initial manufacturing operations have now commenced as planned. The fuel cells being manufactured from the initial production line at the Horsham factory are being produced using the core processes and machines that were tested during the last 12 to 24 months at the Company's Crawley-based pilot plant but on a volume capable line. On-going process improvements will be implemented during the course of 2010 to optimise and increase capacity of the initial production line ahead of Gamma field trials and market launch.

The Company is now benefiting from its decision to de-risk the manufacturing scale-up at an early stage, with the lessons learned from the pilot operation being transferred to the initial production line in Horsham. The fuel cells being manufactured in Horsham will be assembled by Ceres Power into fuel cell modules with balance of plant components shipped from the Company's volume-capable supply chain partners. The complete Combined Heat and Power (CHP) products, consisting of the fuel cell modules produced from Ceres Power's Horsham plant and boiler assemblies from Daalderop BV will be used for the Beta trials being conducted in customers' homes during 2010. As manufacturing output continues to scale up during 2010 and beyond, the Company will continue to create skilled 'green-collar' jobs in Horsham and across the Company's supply chain in the UK and internationally.

Peter Bance, Ceres Power Chief Executive Officer, commented:

"We are building on the successful completion of the Alpha Phase of our residential CHP programme with British Gas and the securing of our first international contract with Bord Gais, and are now investing in our operational capabilities to delivery product in volume. The experience we have gained at the Crawley pilot plant is proving invaluable as we scale-up in our Horsham mass production facility. Commencing initial manufacturing operations at our new factory marks an important step forward for Ceres Power in the commercialisation of our fuel cell technology as we enter our Beta field trials with British Gas."

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