

1 February 2011

**Ceres Power Holdings plc
("Ceres", "Ceres Power" or "the Company")**

Ceres Power commences residential CHP field trials in consumers' homes

Ceres Power Holdings plc is pleased to announce that the Company has commenced commercial field trials of its wall-mounted Combined Heat and Power (CHP) product in occupied homes.

Following receipt of the formal CE certificate, an operating fuel cell CHP product generating heat and power has now been installed in the family home of a British Gas customer in South East England. The field trials programme will continue throughout 2011 and into 2012 with CHP products being deployed in a wide range of homes across the country. In addition, there is an extensive on-going testing programme of CHP products and components at the Company's test facilities.

The first wave of CHP products is being installed in consumers' homes during the first quarter of 2011, with the second wave of products incorporating valuable in-field experience to follow six months later. The final wave of at least 150 field trial CHP products will take place in 2012 to test the Company's ability to scale-up for initial product sales and volume launch with British Gas.

The CHP products for the field trials are being manufactured using volume-capable processes, with the fuel cells at the heart of the product being produced at the Ceres factory in Horsham and the CHP boiler assembly taking place at the Daalderop factory in Holland.

Peter Bance, Chief Executive Officer of Ceres Power, commented; "We have made enormous progress in the development of our product over the past few months and the start of commercial field trials is a major milestone in Ceres Power's development. I am delighted that our unique wall-mounted fuel cell CHP product is now being installed in consumers' homes and look forward to selling the product in conjunction with British Gas."

Ceres Power will give an update on its British Gas residential CHP programme at the Company's Interim Results to be presented in March 2011.

Notes to editors:

The Ceres Power fuel cell CHP product operates on mains natural gas and generates all of the heating and hot water and the majority of the electricity needs of a typical UK home. The wall-mounted unit is designed to replace a conventional central heating boiler and uses the same gas, water and electricity connections. With its low heat to power ratio and unique load-following ability, a Ceres Power CHP product can operate all year round thereby maximizing the energy savings for the household and cutting carbon emissions.

The field trials are being conducted in partnership with British Gas. Under the contract with Ceres Power, British Gas is paying £5 million to the Company in staged milestone payments and has also placed a forward order to purchase in aggregate a minimum of 37,500 CHP products on an escalating basis.

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