

1 June 2011

Ceres Power Holdings plc

(“Ceres”, “Ceres Power” or “the Company”)

Boiler tuning/calibration solution approved and implemented

Ceres Power reports that it has successfully deployed a solution for the boiler tuning/calibration issue identified in the current wave of field trials.

At its Interim Results presentation, the Company reported that initial results from the first wave of five field trial products, installed and operated in a range of occupied family homes, had highlighted an intermittent system reliability issue involving boiler tuning/calibration within the CHP product. In some cases this caused the boiler to automatically lock-out after ignition. As with standard boilers today, if the ignition sequence is not successful after three attempts, then the boiler locks-out, requiring a manual re-set.

The engineered solution, involving a new release of software, has been developed in collaboration with Ceres Power’s supply chain partners. The improved software has been approved by Kiwa Gastec as complying with the Company’s existing CE safety certificate. The Company has now tested the solution and validated that it does satisfactorily resolve the identified boiler tuning/calibration issue and has now uploaded this new software to all CHP products in the field trial, confirming the solution works in occupied homes.

The Company is making good progress towards resolving the other reliability and durability issues identified from the field trials and expects to update the market on the progress in addressing these issues during the summer. The company will obtain confirmation that any software or hardware changes made are in compliance with the current CE safety certificate and will implement the solutions across the CHP units deployed in the field trials.

For further information please contact.

Ceres Power Holdings Plc

Peter Bance, Chief Executive Officer
Rex Vevers, Finance Director

Tel: +44 (0) 1403 273 463

Morgan Stanley &Co International Limited

Peter Moorhouse

Tel: +44 (0) 20 7677 5044

Jefferies International Limited

Chris Snoxall

Tel: +44 (0) 20 7029 8423

Kreab Gavin Anderson & Company

Ken Cronin / Deborah Walter

Tel: +44 (0) 20 7074 1800

www.cerespower.com