

Ceres Power Holdings plc (the 'Company')

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Ceres Power Holdings plc will be held at the offices of Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT on Friday 2 December 2011 at 10.30 a.m. for the following purposes:

AGENDA

Ordinary business

To resolve as ordinary resolutions:

1. To receive and consider the accounts of the Company for the financial year ended 30 June 2011, together with the reports of the Directors of the Company (the 'Directors' or the 'Board') and auditors of the Company on those accounts.
2. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board, through the Audit Committee, to fix their remuneration.
3. To elect David Pummell as a Director of the Company.
4. To re-elect Sir David Brown, who is retiring by rotation, as a Director of the Company.
5. To re-elect Rex Vevers, who is retiring by rotation, as a Director of the Company.

Special business

Directors' authority to allot shares

To resolve as an ordinary resolution:

6. That in place of the authorities granted at the Company's last Annual General Meeting, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company:
 - 6.1 to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Relevant Securities'), up to a maximum aggregate nominal amount of £1,436,294; and further
 - 6.2 to allot Relevant Securities comprising equity securities (within the meaning of section 560(1) of the Act) up to an aggregate nominal amount of £1,436,294 in connection with an offer by way of a rights issue in favour of holders of ordinary shares in the capital of the Company ('Ordinary Shares') in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange for a period expiring (unless previously revoked, varied or renewed) on 1 March 2013 or, if sooner, the end of the next Annual General Meeting of the Company, but in each case the Company may make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the Directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

Disapplication of pre-emption rights

To resolve as a special resolution:

7. That subject to the passing of Resolution 6 above and in place of the powers granted at the Company's last Annual General Meeting, the Directors be generally empowered pursuant to section 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 6 as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire on 1 March 2013 or, if sooner, the end of the next Annual General Meeting of the Company. This power shall be limited to the allotment of equity securities:
 - 7.1 in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement save that in the case of an allotment pursuant to the authority conferred by paragraph 6.2 of Resolution 6, such offer shall be by way of rights issue only) in favour of holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

- 7.2 in connection with the grant of options to subscribe for shares in the Company and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or operated by the Company including the CHP Project Bonus Plan; and
- 7.3 otherwise than pursuant to paragraph 7.1 and 7.2 up to an aggregate nominal amount of £215,444, but the Company may make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Act as if in the first paragraph of this resolution the words 'pursuant to the authority conferred by Resolution 6' were omitted.

Dated: 1 November 2011

Registered office:

Viking House,
Foundry Lane,
Horsham,
West Sussex, RH13 5PX

By order of the Board

Company Secretary

Notes

1. Only holders of Ordinary Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. Such a member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A form of proxy is enclosed. A member may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person.
3. To be valid, a form of proxy, duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be returned to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 7NH, so as to arrive no later than 10.30 a.m. on 30 November 2011 or not less than 48 hours before the time of any adjourned meeting or the taking of a poll at which the person named in the form of proxy proposes to vote.
4. The form of proxy must be executed by the shareholder or his or her attorney duly authorised in writing and (in the case of an individual) must be signed by the individual or his or her attorney duly authorised in writing or (in the case of a corporation) either executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the corporation.
5. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of shareholders of the Company in respect of the relevant joint holding.
6. The Company pursuant to Regulation 41 of the Uncertified Securities Regulations 2001 specifies that only those shareholders registered on the register of shareholders of the Company as of 10.30 a.m. on 30 November 2011 or, in the event that the Annual General Meeting is adjourned, on the register of shareholders by 10.30 a.m. 48 hours before the time of the adjourned meeting(s), shall be entitled to attend or vote in respect of the shareholding registered in the name at the relevant time. Changes to entries on the register of the shareholders after 10.30 a.m. on 30 November 2011, or in the event that the Annual General Meeting is adjourned, less than 48 hours before the time of any adjourned meeting(s), shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
7. There will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays and public holidays) and at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT for at least 15 minutes prior to and during the Annual General Meeting copies of the service contract of each Executive Director and the letter of appointment of each Non-Executive Director.

Information on the Resolutions to be Proposed at the Annual General Meeting

Enclosed with this document is a notice convening the Annual General Meeting of Ceres Power Holdings plc (the 'Company') for Friday 2 December 2011. This explanatory note gives further information on the resolutions numbered 3 to 7 (inclusive) set out in that notice.

Resolutions 3, 4 and 5 – to elect David Pummell as a Director and re-elect Sir David Brown and Rex Vevers as Directors

David Pummell was appointed as a new Director of the Company on 17 August 2011. Under article 54 of the Company's articles of association, any Director appointed by the Board of Directors of the Company (the 'Board' or the 'Directors') must retire from office at the next Annual General Meeting of the Company after his appointment and will then be eligible to stand for election.

Pursuant to article 56 of the Company's articles of association one third of the Directors shall retire from office at each Annual General Meeting. In addition, any Director who has been in office for more than three years since his appointment or last re-appointment should also retire and may offer himself for re-election. Sir David Brown and Rex Vevers will therefore resign and stand for re-election at this year's Annual General Meeting.

The service contracts of David Pummell and Rex Vevers may be terminated by the Company on twelve months' notice and the service contract of Sir David Brown may be terminated by the Company on one months' notice. Copies of their service contracts are available for inspection at the registered office of the Company and will be available for inspection at the Annual General Meeting.

Information on each of the Directors standing for election or re-election may be found in the Directors and Senior Management section of the Annual Report and Accounts.

Resolution 6 – authority to allot shares

The Companies Act 2006 (the '2006 Act') prevents directors of a public company from allotting unissued shares, other than pursuant to an employee share scheme, without the authority of shareholders in general meeting. In certain circumstances this could be unduly restrictive. The Directors' existing authority to allot shares, which was granted at the Annual General Meeting held on 3 December 2010, will expire at the end of this year's Annual General Meeting.

Resolution 6 in the Notice of Annual General Meeting will be proposed as an ordinary resolution, and if approved will authorise the Directors to allot ordinary shares of £0.05 each in the capital of the Company ('Ordinary Shares') up to a maximum nominal amount of £1,436,294 and up to a further maximum nominal amount of £1,436,294 where the allotment is in connection with an offer by way of a rights issue, representing approximately 33% and 33%, respectively, of the nominal value of the Ordinary Shares in issue on 3 November 2011.

If passed the authority conferred by the resolution will expire on 1 March 2013 or, if sooner, at the end of next year's Annual General Meeting.

Other than for existing employee share options schemes, the Directors have no present plans to allot unissued shares. However, the Directors believe it to be in the best interests of the Company that they should continue to have this authority so that such allotments can take place to finance appropriate business opportunities that may arise.

Resolution 7 – to disapply pre-emption rights

Unless they are given an appropriate authority by shareholders, if the Directors wish to allot any of the unissued shares for cash or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their existing holdings. These are known as pre-emption rights.

The existing disapplication of these statutory pre-emption rights, which was granted at the Annual General Meeting held on 3 December 2010, will expire at the end of this year's Annual General Meeting. Accordingly, resolution 7 in the notice of Annual General Meeting will be proposed, as a special resolution, and if passed will give the Directors power to allot shares without the application of these statutory pre-emption rights: first to the allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of shares in the Company and other persons entitled to participate therein, second to the grant of options to subscribe for shares in the Company and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or operated by the Company including the CHP Project Bonus Plan, and third to the allotment of equity securities, otherwise than as stated above, up to an aggregate nominal amount of £215,444 (representing approximately 5% of the nominal value of the ordinary shares in issue on 1 November 2011).

The power conferred by this resolution will expire on 1 March 2013 or, if sooner, at the end of next year's Annual General Meeting.

