



Press Release

British Gas signs deal with Ceres Power: Fuel cell boiler to provide home heat and electricity

August 15, 2005: British Gas is to work on a commercial development programme with Ceres Power to provide domestic boilers that produce electricity as well as heat.

Powered by fuel cells, the revolutionary new boilers have the potential to dramatically reduce household energy bills and cut carbon dioxide emissions.

The two companies have signed a heads of agreement to determine how the world-leading fuel cell developed by Ceres can be packaged into a complete combined heat and power (CHP) unit that will provide household electricity as well as heat for hot water and central heating.

The Ceres fuel cell will use natural gas already piped into the home. It generates both heat and electricity when fuel is passed across its surface, and it has already undergone many thousands of hours of successful testing.

A cube of cells, each about the size of a CD case but wafer-thin, will form the heart of a new generation of home boilers.

Ceres Power CEO Peter Bance said: "The insight British Gas can provide into the requirements of home owners will be invaluable in helping us tailor the design for mass-market application."

Mr Bance added: "This important commercial agreement brings together a world-leading, high-tech UK growth company and the country's largest energy supplier. Our ultimate goal is to enable people to have a highly efficient, extremely safe and environmentally-friendly miniature power station in their homes, saving them money on their energy bills and enhancing Britain's energy security."

Dominic Shorrocks, Director of New Growth, British Gas Home Services, said: "Making green energy a reality is a core part of our strategy. Fuel cell-powered boilers will make far more effective use of hydrocarbons than a conventional boiler and will help our customers save money."

For further information contact:

Peter Bance, Chief Executive, Ceres Power Ltd:	+44 (0) 1293 400 404
Allan Piper, First City Financial Public Relations:	+44 (0) 20 7436 7486
	+44 (0) 7736 064 982
Ian Foster, First City Financial Public Relations:	+44 (0) 7739 185 050



About Ceres Power

Ceres is targeting a range of global market applications including residential combined heat and power (CHP), stand-alone generators and auxiliary power units for transport. Critically, the technology uses low cost materials and existing mass production techniques. And unlike many fuel cells, the Ceres cell can run on natural gas and bottled gas as well as hydrogen.

The company received major recognition for its green credentials when it became the 2003 winner of the prestigious Carbon Trust Innovation Award. More recently Ceres secured the industry's top accolade by winning the Institute of Materials, Minerals and Mining's Gold Medal for 2005.

Since its formation in 2001, Ceres Power has raised over £25 million of funding through two rounds of private equity and its AIM IPO in November 2004. The company has many blue chip City institutions as financial backers including Fidelity, Morley, Cazenove, and Jupiter.