

2nd February 2009

**Ceres Power Holdings plc**

('Ceres Power', 'Ceres' or the 'Company')

**Ceres Power and Calor enter development, manufacture, supply  
and distribution agreement for LPG fuelled residential CHP**

Ceres Power, the AIM-quoted alternative energy company, today announces that it has signed a major new agreement (the 'Agreement') with Calor Gas Limited ('Calor') for residential combined heat and power ('CHP') products operating on liquefied petroleum gas ('LPG').

The Agreement with Calor builds upon Ceres Power's existing mains natural gas CHP programme with British Gas, and will use the same core technology, allowing the Company to exploit economies of scale. The new LPG CHP product variant, generating electricity and all of the home's heating and hot water, will address residential customers and small businesses in the many areas of the world that are not connected to the mains natural gas grid (i.e. are 'off-gas-grid'). There are more than 2 million off-gas-grid homes and small businesses in the UK and over 100 million across Europe. Calor is the UK's leading LPG supplier with over 70 years experience and its parent company, SHV Gas, is the world's largest distributor of LPG with operations in 27 countries over 3 continents and annual turnover of €5.8 billion.

Under the terms of this new Agreement, Calor will pay £2.5 million to Ceres in milestone payments during the development and trialling of the LPG CHP product (the 'Initial Phase'), including an up-front payment of £1 million. In addition, Calor has placed a call-off order for 20,000 LPG CHP Products in aggregate over a five-year period for the UK market, conditional upon successful completion of the Initial Phase and agreement of standard commercial terms for product supply. Subject to Calor meeting annual minimum order volumes, Ceres has agreed to sell the LPG CHP product to Calor for the UK market on an exclusive basis for a five year period anticipated to begin in 2012. Ceres Power retains the right to supply and distribute LPG CHP products anywhere else in the world and the right to exploit its innovative fuel cell technology in other applications globally including in the UK.

Ceres and Calor intend to maximise sales of the LPG CHP product by addressing not only the existing LPG customer base, but also the substantial number of homes and small businesses using oil, solid fuel or conventional electrical heating (more than 2 million in the UK alone). These customers will be able to enjoy convenient, low carbon, cost-competitive energy with this environmentally friendly product.

Peter Bance, CEO of Ceres Power, commented:

“We are delighted to have formed this relationship with Calor which builds on Ceres Power’s experience in LPG and uses our core technology platform’s fuel flexibility to open up substantial new markets. We are confident that this new LPG CHP product has real potential both here in the UK and across many other territories including Europe, North America and Asia. This contract helps further underpin our investment in the Mother Plant that will create new skilled ‘green collar’ jobs in the UK.”

Stephen Rennie, Managing Director of Calor, commented:

“Working with Ceres on this revolutionary technology further highlights Calor’s position as the UK’s off-gas-grid market leader. The Ceres Power CHP product will help accelerate a transition from dirty domestic fuels like heating oil, to cleaner convenient fuels like LPG. We look forward to bringing this product to residential and small business customers as part of our strategy to provide green energy solutions to the rural market.”

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### About Calor

Calor is the UK's leading LPG supplier with over 70 years experience in this flexible and environmentally sensitive energy market. LPG can be used across a variety of applications in the home. Central heating, cookers and fires can all utilise LPG from Calor. Millions of homes have used the cleaner burning fuel to power the ever growing range of appliances using gas in off-gas-grid areas.

See <http://www.calor.co.uk/>

### About SHV Gas

SHV Gas is the world's largest distributor of LPG. Tens of millions of customers worldwide use the well-known SHV Gas brands including Primagaz, Calor Gas, Liquigas, Super Gas, Ipragaz and Minasgás. SHV Gas has 13,500 employees and net sales in 2007 were €5.8 billion. The head office of SHV Gas is in Hoofddorp, the Netherlands.

See <http://www.shvgas.com/>