

Ballard to Supply 1 Megawatt Fuel Cell Power System to K2 Pure For Power Generation From By-Product Hydrogen

- One-megawatt (MW) fuel cell power system fuelled by by-product hydrogen from K2 Pure Solution's salt-to-bleach plant
- System will provide self-generated base load power, eliminating the need for grid power
- Continues Ballard's roll out of MW Scale clean energy PEM fuel cell solutions for North America

Ballard Power Systems has signed a non-binding Memorandum of Understanding (MOU) with K2 Pure Solutions of Toronto, Ontario (K2; www.k2pure.com) to implement a one-megawatt (1MW) clean energy fuel cell power system at the K2 salt-to-bleach plant located in Pittsburg, California. The 1MW power system will convert by-product hydrogen generated from salt-to-bleach production into base load electricity that will then be used to power K2's bleach production operation.

Ballard's fuel cell power system will utilize by-product hydrogen that would otherwise be used to generate heat or flared into the atmosphere. The fuel cell power system is based on zero-emission technology, producing electricity with heat and clean water as the only by-products. In powering its operation with fuel cells, K2 will displace approximately 2,200 tons of CO₂ emissions annually, equivalent to removing almost 400 passenger cars from the road. The Ballard fuel cell technology to be deployed is similar to that currently being successfully used in BC Transit buses at the 2010 Winter Olympic Games, which is the largest fuel cell bus fleet in the world.

David Cynamon, Executive Chairman of K2 Pure Solutions said, "The Ballard fuel cell solution is a great fit to our sustainable energy strategy. By combining our Inherently Safe Technology with Ballard's Megawatt Scale fuel cell solution, we will be able to produce high-quality bleach with nothing but water, inert salt and affordable, environmentally clean electricity." The output from this plant will be used for critical everyday purposes such as purification of clean drinking water.

"Megawatt Scale clean energy fuel cells are a great solution for companies that generate by-product hydrogen as a result of their core business activities," added Michael Goldstein, Ballard's Chief Commercial Officer. "The K2 Pure application is a terrific example of zero-emission, low-cost energy production using fuel cells, without the technology risks."

Ballard's Megawatt Scale generators take advantage of situations where hydrogen is created as a normal by-product of an industrial process. Examples include salt-to-bleach and petroleum production as well as grid-scale energy storage from renewable energy sources. The solution converts hydrogen into cost effective electricity that may be used internally by the customer or sold back to the grid for use in the community. The exhaust from the fuel cell plant is clean water vapor. Available in sizes up to 30 megawatts, Ballard's solution is modular and scalable.

Conclusion of this deal is subject to final agreement on terms. The fuel cell installation is planned for commissioning in 2011.

About Ballard Power Systems

Ballard Power Systems (TSX: BLD; NASDAQ: BLDP) provides clean energy fuel cell products enabling optimized power systems for a range of applications. To learn more about Ballard, please visit www.ballard.com.