



BALLARD[®]

John Sheridan
President & CEO

Putting Fuel Cells To Work

■ A Clean Energy Growth Company | WWW.BALLARD.COM | **TSX:** BLD **NASDAQ:** BLDP

Agenda

A. Irrational Exuberance ... circa 1998-99

B. Re-Grouping & Re-Positioning ... 2007-09

- Understanding the timelines
- Progress on the enablers
- Delivering 'Proof Points'

C. \$1B Market Potential Returns ... 2011

D. Looking Forward – *Can We Deliver This Time?*

E. Ballard as a Case Study

The Past

- 1. Unreasonable expectations regarding a ubiquitous hydrogen economy**
- 2. Automotive potential was exciting to media, public, investors ... everyone!**
- 3. Promising technology ... but unreasonable timelines for commercialization**
- 4. Significant R&D investments were driving liquidity crises**
- 5. "Irrational exuberance" in equity markets**

Agenda

- A.** Irrational Exuberance ... circa 1998-99
- B.** Re-Grouping & Re-Positioning ... 2007-09
- C.** \$1B Market Potential Returns ... 2011
- D.** Looking Forward – *Can We Deliver This Time?*
- E.** Ballard as a Case Study

Key Fuel Cell Growth Enablers

✓ Cost Reduction

- Competitive positioning against incumbent solutions (eg. batteries, diesel gensets)

✓ Effective Demonstrations

- Raising awareness around the advanced state of fuel cell technology

✓ Fuelling Solutions

- Continuing development of hydrogen fuelling infrastructure and fuel reforming solutions

✓ Compelling Value Propositions

- Communicating economic advantages

✓ Early-Stage Commercial Traction + Momentum

Proof Points – *Automotive*



Technology has been demonstrated in over 200 Daimler and Ford vehicles in various geographical and climatic regions



Planning to produce fuel cell vehicles by 2015



Announced a 2,000 square metre manufacturing facility in Burnaby, BC



Over 45 hydrogen stations installed globally - including Whistler BC station



Planning to produce several thousand fuel cell cars per year by 2015, at 25% of current cost



Unveiled new fuel cell concept car, Blue2 at the Seoul Motor Show in March

Proof Points – *Other Motive Power*



Orders for 534 GenDrive® material handling systems in Q1 2011



World's largest fleet of fuel cell buses (20), with over 1 million kms accumulated



Recently launched new H2Drive fuel cell system for heavy duty forklifts



A United Technologies Company

Fuel cell stacks achieved 7,000 hours of service at AC Transit



Fuel cells will power a hybrid ferry giving tours of the Statue of Liberty and Ellis Island



Will retrofit 15 electric trucks with fuel cells as range extenders

Proof Points – *Stationary Power*



More than 150 backup power systems installed on Hutchison Telecom network in Indonesia



UTC Power

A United Technologies Company

PureCell™ Model 400 stationary fuel cell systems have reached 100,000 hours of operation in the field



FuelCell Energy

Production levels are currently at 35 MW annually



Freedom Power Systems™ have accumulated over 5 million hours of service in the field



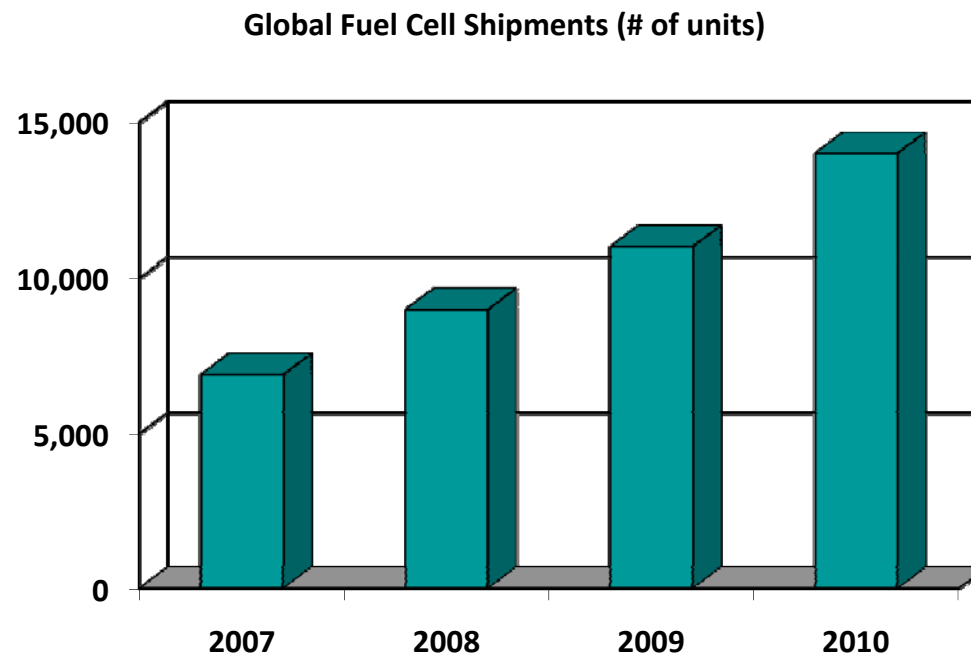
Contracts for delivery of nine electrolyzers to food processing facilities and thermal power plants in Africa and Asia

BALLARD®

- CLEARgen™ system to produce clean power from by-product hydrogen at K2 Pure Solutions bleach plant
- Toyota 1MW CLEARgen™ system announced in April

Recent Growth of the Fuel Cell Sector

- Fuel cells are in an early-stage of commercial adoption and volumes are modest
- Although we have been experiencing **20%+ CAGR**



Source: 2009 Fuel Cell Market Report, US Depart. of Energy; Fuel Cell Today, Tradition Equities

Agenda

- A.** Irrational Exuberance ... circa 1998-99
- B.** Re-Grouping & Re-Positioning ... 2007-09
- C.** **\$1B Market Potential Returns ... 2011**
- D.** Looking Forward – *Can We Deliver This Time?*
- E.** Ballard as a Case Study

Hydrogen & Fuel Cell Potential is Real

Hydrogen Comes Out Of Hiding: The Alternative Alternative Energy Source

- Deloitte, "2011 Technology Predictions" report

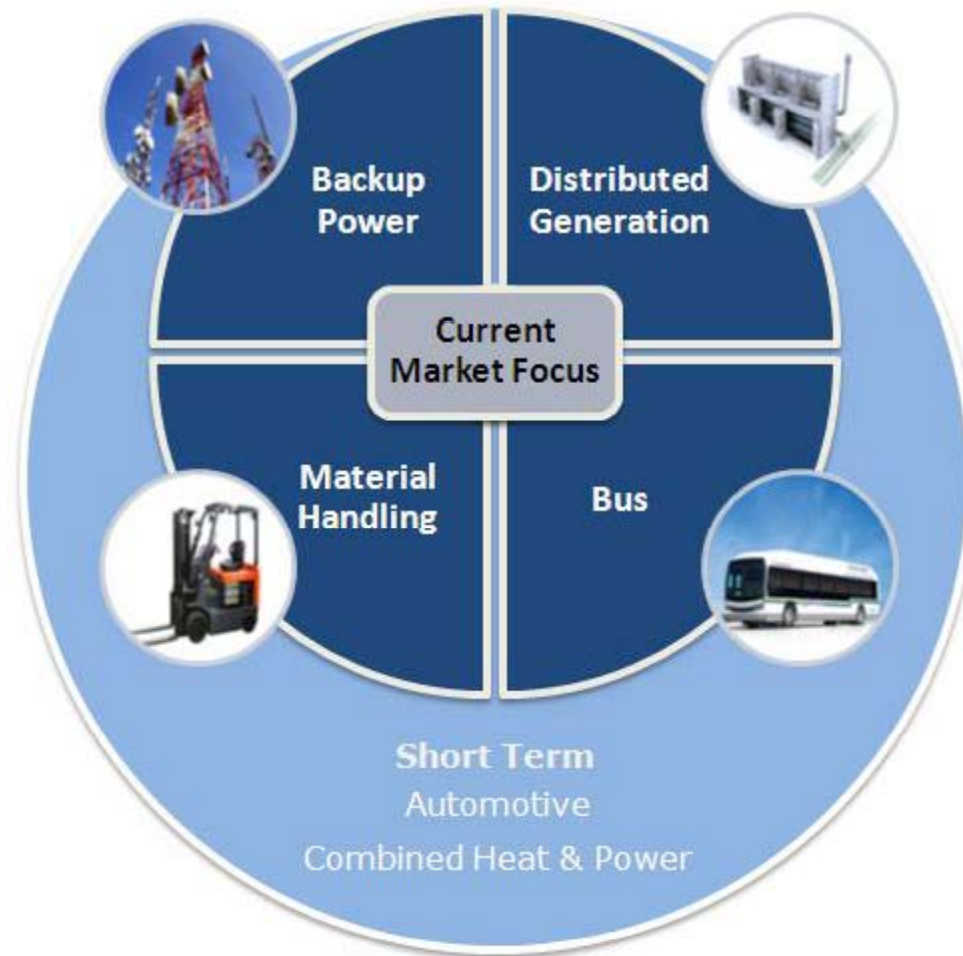
"HFCs (hydrogen fuel cells)... could easily create a billion-dollar market by 2015."

Deloitte.

"Commercial sales of fuel cell vehicles will reach the key milestone of one million vehicles by 2020."

 **PikeResearch**
Cleantech Market Intelligence

Timeline for Early-Stage Commercialization



Agenda

- A.** Irrational Exuberance ... circa 1998-99
- B.** Re-Grouping & Re-Positioning ... 2007-09
- C.** \$1B Market Potential Returns ... 2011
- D.** Looking Forward – *Can We Deliver This Time?*
- E.** Ballard as a Case Study

Agenda

- A.** Irrational Exuberance ... circa 1998-99
- B.** Re-Grouping & Re-Positioning ... 2007-09
- C.** \$1B Market Potential Returns ... 2011
- D.** Looking Forward – *Can We Deliver This Time?*
- E.** **Ballard as a Case Study**

Transformation & Re-Focus at Ballard

I. Shifted Strategic Focus

- *From:* Long term, high cost automotive fuel cell technology development
- *To:* Clean energy, fuel cell products for commercial markets
- *Through:*
 - E-Drive and AFCC transactions
 - Extensive product and market development

II. Re-Set Cost Base

- *From:* \$75M in 2007
- *To:* current run rate of ~\$40M
- *Through:*
 - Transfer of 112 employees to AFCC
 - Further right-sizing of the organization
 - Leveraging of government R&D funding
 - Sub-lease of surplus manufacturing space

III. Built Strong Liquidity Position

- \$100M raised through monetization transactions:
 - Tax loss deal with Superior Plus
 - Ford share purchase agreement
 - Sale-leaseback
- With no shareholder dilution

- **Corporate transformation was completed in 2009, which created a solid foundation going into 2010**

About Ballard

- Listed on NASDAQ (BLDP) and TSX (BLD)
- Cash reserves of \$61.7M (as of 3/31/2011)
- Market capitalization of ~\$196M (as of 3/31/2011)
- Unrivalled IP portfolio with  **esencia™** technology in every product

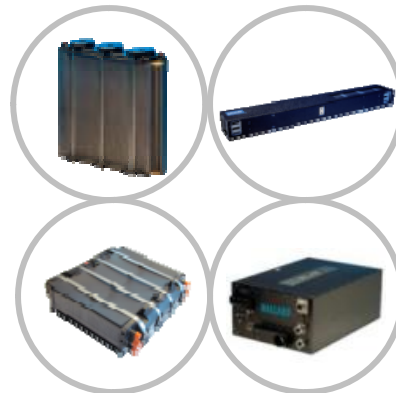
MARKET FOCUS

- Multi-market growth focus



POSITION

- Global leader in PEM fuel cell technology & products



STRATEGY

- Leverage product leadership and build key channel partnerships to establish first-mover advantage

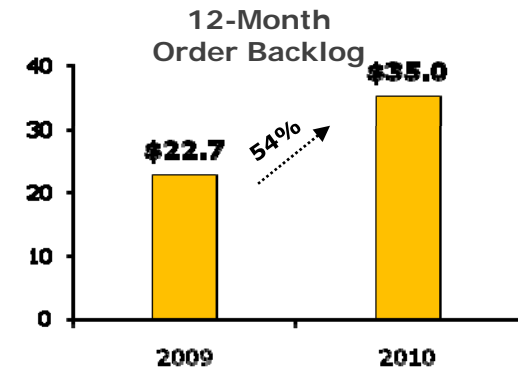
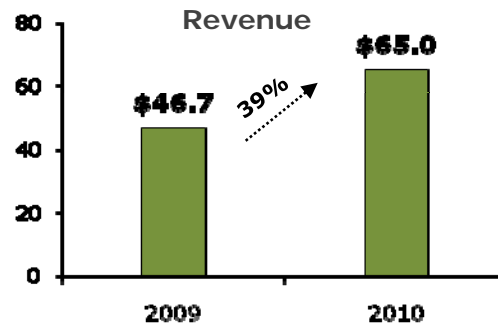
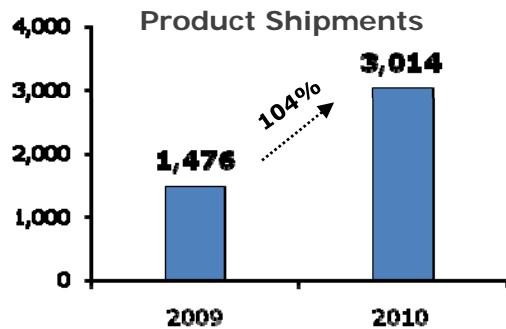


Product Portfolio

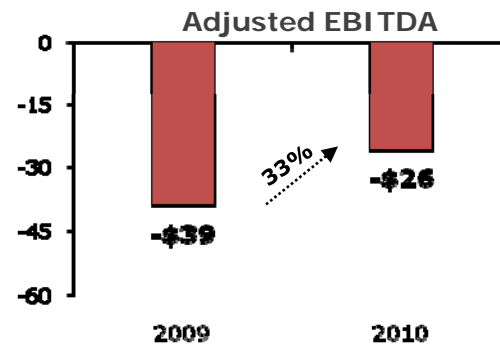
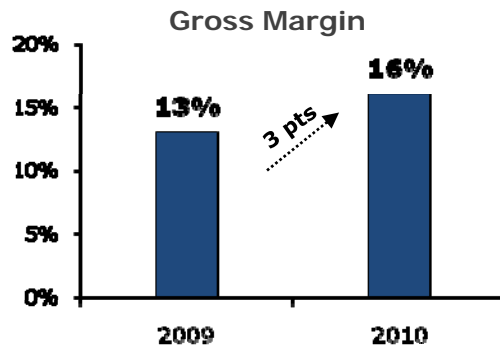
- Ballard's product portfolio includes fuel cell stacks, modules as well as complete system solutions
- Aggressive cost reductions: average of 45% across products in 2008-10, further 20-25% expected in 2011

2010 Performance

■ Growth:



■ Profitability:



■ Strong execution in 2010:

- Significant growth
- Progress towards profitability

■ Momentum increasing in all four fuel cell markets

Backup Power

■ Focus:

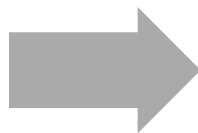
- Backup power for wireless telecom industry, replacing batteries and diesel gensets

■ Market Drivers:

- Extended runtime with minimal annual maintenance
- Highly durable, even at extreme temperatures
- Lower noise and reduced emissions
- Lower fuel costs due to increased efficiency



FCgen®-1020ACS



Dantherm Power DBX2000 (Denmark)

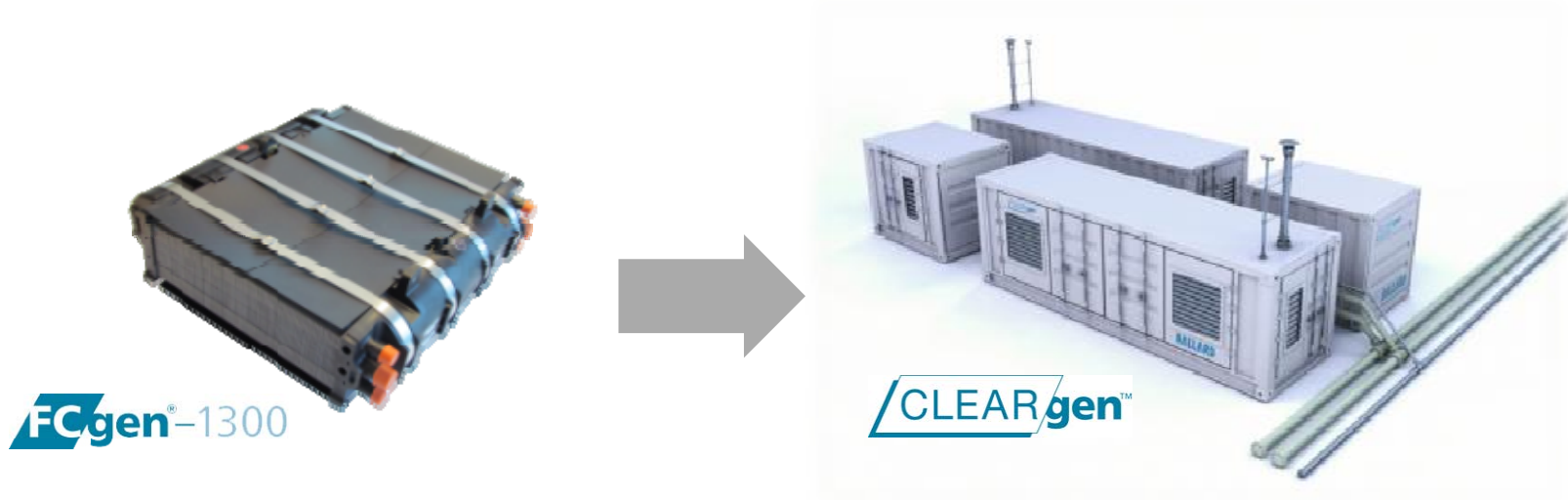
Distributed Generation

- **Focus:**

- Clean baseload power for chemical plants, remote communities and others

- **Market Drivers:**

- Availability of low cost by-product hydrogen
- Supportive feed-in tariff policies
- Increased utility focus on clean energy generation



Material Handling

- **Focus:**

- Electric forklifts in high volume distribution centers and manufacturing facilities in North America

- **Market Drivers:**

- Productivity gains from increased lift truck uptime, consistent power & more productive warehouse floor space



FCvelocity[®]-9SSL



Class 1, 2 & 3 Forklift Trucks

Bus

■ Focus:

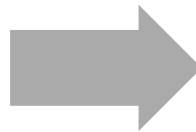
- Government supported zero-emission transit programs
- Canada, UK, Brazil, Germany, USA, The Netherlands

■ Market Drivers:

- Government support
- Reduction in GHG emissions & elimination of SOX / NOX



FCvelocity[®]-HD6



BC Transit Fuel Cell Bus (Whistler, BC)

Ballard Commercial Milestones

BACKUP POWER

- Fuel cell stacks & systems installed at 600+ telecom network sites
- More than 5.5M service hours
- 1.7MWh of backup power run time

MATERIAL HANDLING

- 1,000+ fuel cell stacks operated in the field
- >2M hours of run time

BUS

- Modules have accumulated >3M km's (1.9M miles) in revenue service
 - *since Jan. 2010, 1M+ km's (620K miles) in BC Transit buses alone*
- Ballard-powered buses have carried 7M+ passengers

ALL PRODUCTS

- >1M MEA's* produced
- Associated fuel cell products generating >100MW of power

* Membrane electrode assemblies

Summary – *Four Imperatives for Accelerating Growth*

- 1. Consistently meeting customer value propositions**
- 2. Profitability**
- 3. Collaboration within the sector**
- 4. Supportive government policies and programs**