Press release

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Volume order received for fuel cell plates intended for consumer electronics

Morphic's subsidiary, Cell Impact, has received it's first volume order to supply serial production volumes of fuel cell plates intended for consumer electronics from a US customer. The order represents a commercial breakthrough for Cell Impact. The agreement is valued at SEK 60 million, over a two-year period.

The flow plates will be produced using Morphic's patented high impact technology and offers a superior efficiency rate at an unbeatable price per unit. The manufacturing will initially take place in Cell Impact's production facility in Karlskoga, Sweden. Initial deliveries are scheduled for January 2008.

"It's no coincidence that the order stems from the consumer electronics industry. We have seen significant interest from that sector. This is a small order but it's indicative for the fuel-cell industry. It illustrates that our offer is heading the market and proves that we can deliver on price and performance," says Martin Valfridsson, President for Cell Impact.

There is a sizeable market potential within the sector. The main advantages are that fuel cells have considerably longer operating time and can be recharged extremely quickly. Contrary to today's batteries, the time it takes to restore maximum capacity is negligible.

About fuel cells and flow plates

The electricity in a fuel cell is produced by hydrogen dissolving in a controlled manner and reacting with oxygen. This reaction produces electricity with heat and water being the only residue. With a long life-span and next to no negative environmental impact, fuel cells represent a real alternative to most of today's energy converters when it comes to producing electricity for societal, industrial and residential needs, as well as for vehicle and portable electronics.

Simply put, a fuel cell consists of an electrolyte with two electrodes on each side. So-called 'flow plates' reside outside the electrodes, between which the injected fuel, for example hydrogen or methanol, react with oxygen. The plates represent a big part of the cost and its ability to effectively navigate hydrogen gas is essential for the fuel cell's ability to generate electricity. Morphic's patented technology makes it possible to manufacture the plates quicker, cheaper and of better quality than ever before.

For more information, please contact:

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Morphic Technologies is a Swedish industrial group that specializes in energy systems for renewable electricity production as well as resource-light production techniques for efficient component manufacture. The operations are located in Karlskoga, Kristinehamn, Filipstad, and Gothenburg, Sweden. The Company's class B shares are listed on the Stockholm Stock Exchange's trading site, First North, with Remium Securities as Certified Advisor. For more information, see www.morphic.se

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