



NEL ASA: Developing the world's largest factory for hydrogen refuelling stations

(Oslo, 4 April 2016) H2 Logic A/S (H2 Logic), a subsidiary of NEL ASA, has entered into a contract for the purchase of a facility in Herning, Denmark for the development of a new large-scale production plant for hydrogen refuelling stations. The factory will have an annual capacity to manufacture hydrogen refuelling stations sufficient to support 200 000 new Fuel Cell Electric Vehicles (FCEV) annually.

With a total investment of NOK ~85 million, including contingency, NEL intends to convert the facility into a state-of-the-art volume production facility for refuelling stations based on lean manufacturing principles. When ramp-up and plant optimization is complete, the facility will have a name-plate production capacity of up to 300 refuelling stations per year. This will ensure further product improvements over time as well as other scale benefits.

Global leading car manufacturers are introducing FCEVs into more and more markets and plan for significant growth in volumes towards 2020 and beyond. This requires an adequate capacity for manufacturing of hydrogen refuelling stations to support a widespread roll-out of hydrogen infrastructure.

The new production facility in Denmark will be prepared for the next generation refuelling technology (H2Station®) that will offer major break-throughs in areas like increased refuelling capacity and performance, reduced footprint as well as potential for significant cost reductions. The new H2Station® technology has been designed for lean volume manufacturing which is essential to achieve sufficient scale benefits.

"In contrast to many others, NEL is approaching the refuelling station business in a mature and professional way. Even if a refuelling station is relatively complex, it is just another piece of equipment that has to have a small footprint, high uptime, and low cost of ownership. This can only be achieved through modular design, standardization and volume production based on lean manufacturing principles – this is how we will add value to our customers." says Jon André Løkke, chief executive officer of NEL.

Since 2011, H2 Logic has gained experience with volume manufacturing of hydrogen refuelling stations, however, at a smaller scale. This has resulted in a market share in Europe of more than 30%. With this new production facility, H2 Logic will take the production concept to the next level and create a benchmark facility not yet seen anywhere in the world.

"With this investment, our customers will clearly see that NEL not only can support their immediate need for refuelling stations, but also will remain a reliable and attractive partner for the long-term.", says Løkke.

H2 Logic will start to relocate to the new facility in the second half of 2016, and will complete the rebuild and relocation during 2017. The company has also secured 9000 M2 of expansion area adjacent to the Herning facility.

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About NEL

NEL ASA is the first dedicated hydrogen company on the Oslo Stock Exchange. Since its foundation in 1927, NEL Hydrogen has a proud history of development and continual improvement of hydrogen plants. NEL is global a supplier of hydrogen solutions, covering the entire value chain from hydrogen production technologies to hydrogen refuelling stations for fuel cell electric vehicles. H2 Logic A/S is a leading manufacturer of H2Station® hydrogen refuelling stations that provides fuel cell electric vehicles with the same fast fuelling and long range as conventional vehicles today. www.nel-asa.com

About H2 Logic A/S

H2 Logic A/S is a leading manufacturer of H2Station® hydrogen refuelling stations that provides fuel cell electric vehicles with the same fast fuelling and long range as conventional vehicles today. Since incorporation in 2003 H2 Logic has invested significantly in R&D that has brought H2Station to a level where products are offered for the early market for roll-out of larger networks of hydrogen refuelling stations. H2 Logic is part of NEL ASA listed on the Oslo Stock Exchange. www.h2logic.com