

Thursday, 10 October 2013

Ceramic Fuel Cells Limited Operational Update

Ceramic Fuel Cells Limited (ASX/AIM: CFU), a world leader in developing and manufacturing fuel cell based micro combined heat and power generators provides the following operational updates in its core markets of the UK and Germany:

- **UK: CFU to deliver fuel cell components for 40 integrated fuel cell micro combined heat and power units to Ideal Heating as part of the EU-funded 'SOFT-PACT' project**
- **Germany: state of Hesse approves subsidies for BlueGEN micro power plants**

UK: Delivery of fuel cell components for 40 integrated m-CHP units:

CFU, German utility E.ON, software developer HOMA Software and heating system manufacturer Ideal Heating teamed up in 2011 to demonstrate the application of fuel cell based micro combined heat and power (m-CHP) appliances for use in domestic applications. The first 40 BlueGEN™ fuel cell units financed through the 'SOFT-PACT' project were delivered in 2012 for installation into residential properties in Germany and the UK and now the second tranche of 40 CFU products, consisting of fuel cell components for integration into a full fuel cell m-CHP product have been delivered to Ideal Heating's manufacturing plant in Hull.

These integrated units will be demonstrated in real world installations in residential locations in selected countries across Europe under the 'SOFT-PACT' project significantly funded by the Fuel Cell and Hydrogen Joint Undertaking under the Seventh EU Framework Grant Scheme. The units will be installed from the first quarter of 2014 and will provide significant carbon emission reductions and energy efficiency benefits over conventional power and heating technologies to end users.

CFU's fuel cell technology has the world's highest electrical efficiency from a small-scale generator (up to 60% delivered electrical efficiency and 85% total efficiency including heat for hot water) and significantly reduces carbon dioxide emissions by more than two-thirds, compared to coal fired electricity generation, and by more than half when compared to average UK grid emissions.

Germany: state of Hesse approves subsidies for BlueGEN micro power plants - first installation to go be operational this week:

CFU welcomes the decision by the regional government of the German state of Hesse to support the installation of BlueGEN micro power plants under a state-wide subsidy programme. The state of Hesse has already approved the first installation, which will be commissioned and installed in a few days and provides electricity and heat to a multi-family building.

Additional BlueGENs are now expected to be planned and installed in Hesse in the near future. To ensure a successful implementation, CFU and the state government of Hesse will partner with local and regional energy providers. The first partner in this project is Frankfurt-based Gas-Union which, as a large corporation, already has extensive co-generation experience and therefore is well placed to deliver the project's full potential. As a partner of the local providers, Gas-Union will facilitate and coordinate the installation of fuel cells.

"Within a matter of months, both Hesse and North Rhine-Westphalia have decided to actively support fuel cells. The subsidies in Hesse are another relevant step towards successfully penetrating the national markets in Germany", said Bob Kennett, Managing Director of CFU.

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About Ceramic Fuel Cells Limited

Ceramic Fuel Cells Limited is a world leader in developing fuel cell technology to generate highly efficient and low-emission electricity from widely available natural gas. Ceramic Fuel Cells Limited has

sold its BlueGEN gas-to-electricity generator to major utilities and other foundation customers in Germany, the United Kingdom, Switzerland, The Netherlands, Italy, Japan, Australia, and the USA. Ceramic Fuel Cells Limited is also developing fully integrated power and heating products with leading energy companies E.ON UK in the United Kingdom and EWE in Germany. The company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

www.cfcl.com.au

About Gas-Union

Gas-Union is one of the leading wholesale distributors for natural gas in Germany, supplying energy suppliers as well as industrial companies. In the German state of Hesse, they manage their own natural gas storage facility and have shares in natural gas storage facilities in Epe (Westphalia) and Etzel (Friesland). Independent from the natural gas offering, the division Gas-Union Services offers comprehensive services for municipal utility companies (Stadtwerke) and industrial companies.