

Tuesday 15 October 2013

**Ceramic Fuel Cells Limited
("Ceramic" or the "Company")**

Conversion of Loan Notes

Ceramic Fuel Cells Limited (AIM / ASX: CFU), a leading developer of generators that use fuel-cell technology to convert natural gas into electricity and heat for homes and other buildings, announces that it has received a loan note conversion notice from Alasdair Locke, Chairman of Ceramic who holds £200,000 of the secured convertible loan notes issued in May 2013 ("Loan Notes").

Shareholder approval for Mr Locke's subscription for these loan notes and conversion into ordinary shares was obtained on 2 July 2013.

As a result of this conversion notice the Company will issue 9,345,794 new ordinary shares of nil par value at the price of 2.14 pence each (the "New Shares") to Alasdair Locke. Following the issue Alasdair Locke will hold 83,258,782 ordinary shares representing 5.2% of the enlarged issued share capital.

Application has been made for the New Shares to be admitted to trading on AIM and it is expected that this will take place on or around 23rd October 2013. Application will also be made to the ASX to have these shares admitted to quotation once they have been issued. These shares will rank pari passu with the existing Ordinary Shares in issue.

Following Admission, the Company's total issued share capital will consist of 1,601,287,414 Ordinary Shares. No Ordinary Shares are held in treasury and therefore the number of Ordinary Shares with voting rights will be 1,601,287,414. This figure should be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the Company under the ASX/AIM's Substantial Shareholder Notices.

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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).

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