

Thursday, 28 November 2013

CFU sells 1,000 BlueGEN units to Baltic distributor

Agreement signed for 1,000 BlueGEN units valued in excess of €20M, to be delivered in CY2014 and CY2015

Ceramic Fuel Cells Limited (AIM/ASX: CFU), a world leader in developing and manufacturing fuel-cell-based micro power plants, is pleased to announce it has signed a cooperation agreement with Synergy International OÜ (SI). Under this agreement, initially a minimum of 1,000 BlueGEN m-CHP units, with a value in excess of €20 million, will be sold to SI over the next two calendar years. The agreement has the option to be extended for a third year.

CFU has appointed SI as its exclusive distribution partner for the Baltic States and Scandinavia (Finland, Sweden and Norway). A main business partner and shareholder of SI is the Tameo Grupp, one of the biggest wholesalers of electrical materials in Estonia.

SI will be responsible for arranging the distribution and servicing of CFU's BlueGEN product across its distribution region. Under the agreement SI will purchase from CFU, on a take-or-pay basis, 500 BlueGEN units in CY2014 and a further minimum 500 units in CY2015. The first 100 systems are scheduled to be delivered in the first quarter of CY2014. In addition to the distribution agreement being on a take-or-pay basis, under the agreement 50 percent of the price of the initial 500 unit sale will be paid to CFU before the end of this calendar year. Further payments will be received quarterly in advance for units to be delivered during the CY2014. This payment profile is repeated in CY2015 for the 500 units to be ordered on a take-or-pay basis.

Frank Obernitz, Managing Director of Ceramic Fuel Cells GmbH in Germany, said: "I am delighted that CFU has partnered with SI in the highly promising markets of the Baltic States and Scandinavia. We have been especially impressed by their well established network of major industry and policy stakeholders."

Bob Kennett, Managing Director of CFU, explained: "We are very pleased to have received this major order. Apart from the commercial success, the terms of the agreed take-or-pay contract enable our company to significantly strengthen its working capital position in response to market requirements.

We are very much looking forward to working closely with Synergy International in what I'm sure will be a very successful relationship."

Taxation Refund

CFU advises that it has recently received a refund of circa \$4M from the Australian Taxation Office for research and development activities relating to FY2013. The expectation of this refund was announced on 30 October 2013 in the Company's Quarterly Cashflow announcement.

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Ceramic Fuel Cells Limited

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About Tameo

Tameo MT OÜ is one of the biggest electrical materials wholesalers in Estonia. The company offers full solutions for projects as well as dwelling from customers special needs. Tameo has over 4 000 different products available in stock, and based on customer needs this list improves constantly. The suppliers are internationally known companies and the product assortment of Tameo complies with the standards established for quality and nature protection. Tameo has sales offices and warehouses in Tartu, in Tallinn, and in Pärnu. The affiliated company Tameo Electric Group SIA operates in Riga, Latvia and also Tameo UAB in Klaipeda, Lithuania.

<http://www.tameo.ee/en/>

About Synergy International

Synergy International OÜ (SI) has been founded recently in order to establish the cooperation agreements with Ceramic Fuel Cells Ltd. and to execute the business plan agreed on by the shareholders of SI.