



20 January 2015

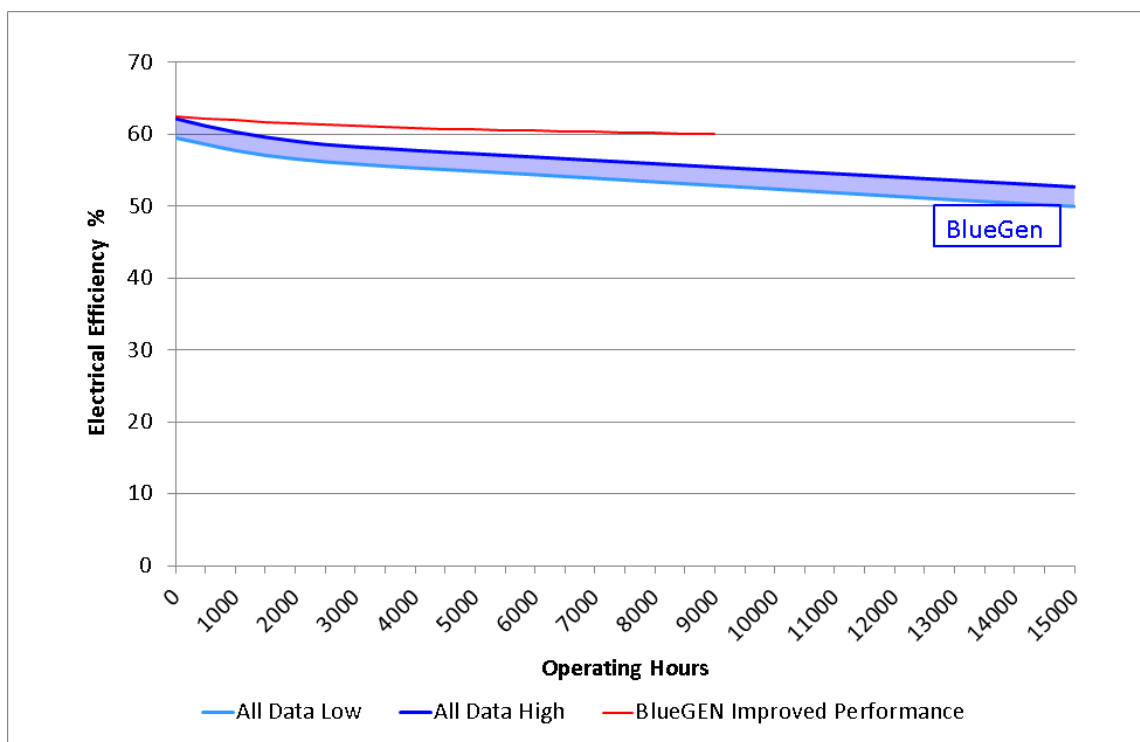
Technology Update

Extrapolation of stack degradation rates predict a 60,000 hour stack life

Ceramic Fuel Cells Limited (ASX/AIM: CFU), a world leader in developing and manufacturing fuel-cell-based, micro power plants, provides the following technology update:

The Company is pleased to announce that the stacks referred to in the 30 June 2014 Market Announcement have completed a further 6 months of operation and the degradation rates continue to be significantly lower than previously experienced. A linear extrapolation of the degradation rates indicate that the anticipated stack life is approximately 60,000 hours, which is 35% longer than anticipated in June 2014.

The graphs below represent the stack performance of a BlueGEN operating at a site of CFU's key German customer, EWE. This substantial decrease in the degradation rates significantly improves the efficiency of the product over the life of the stack as demonstrated below. The blue shaded section in the graph is representative of the BlueGEN degradation band operating at 1.5kW before the implementation of the patented solution. The red line illustrates the performance of the stack operating at EWE.



This stack is now in its linear phase of degradation and this data has been extrapolated to show the expected life to reach the same efficiency as the blue shaded section in the above graph. This extrapolation indicates a stack life of approximately 60,000 hours or close to 7 years.

Mr Bob Kennett, Managing Director, said this is a tremendous achievement by our technology team in Melbourne and the results have significantly exceeded our initial expectations. We are confident that further technological improvements, already identified, will allow us to reach our targeted 10-year stack life. He said that these major steps forward with our BlueGEN technology together with our continued focus and progress on our cost down strategy will successfully deliver our key objective of increasing penetration of BlueGENs into our selected markets.

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