CERAMIC FUEL CELLS LIMITED

Clean power for your home

30 April 2010

VICTORIAN GOVERNMENT ORDERS THIRTY CERAMIC FUEL CELLS' BLUEGEN UNITS

Ceramic Fuel Cells Limited (AIM/ASX: CFU) – a leading developer of high efficiency and low emission electricity generation units for homes and other buildings – has received a conditional order for 30 BlueGen gas-to-electricity generators from the Victorian Government's Office of Housing.

The Office of Housing will install the units in public housing properties in metropolitan Melbourne and regional Victoria. The project will demonstrate the operation of the units and the benefits to tenants, via the generation of low emission power and hot water for the home.

The Victorian Government announced the $1.35 million project on Friday 30 April as part of its Jobs for the Future Economy: Green Jobs Action Plan. The funding for the Green Jobs package, including the purchase of the BlueGen units, is conditional on the Victorian Parliament approving changes to the landfill levies proposed by the Government. The project is also conditional on the Office of Housing and Ceramic Fuel Cells jointly agreeing a model for the delivery of future BlueGen maintenance services. Provided these conditions are met, the 30 BlueGen units would be installed from late 2010 to early 2011, for an initial two-year project period.

BlueGen units generate electricity in the home at almost three times the efficiency of current Victorian coal-fired electricity generators, cutting energy bills and reducing carbon emissions by up to two-thirds.

About the size of a dishwasher, BlueGen uses fuel cell technology to convert natural gas into electricity. Over a year, each BlueGen can produce twice the electricity needed to power an average Victorian home – the excess power can be exported to the power grid. BlueGen also produces enough heat to meet the average home's daily needs for hot water.

"We are delighted with the Victorian Government's significant order for our BlueGen units and we look forward to deploying the units across the state," said Ceramic Fuel Cells managing director Brendan Dow. "We are confident the Victorian Government will become an important strategic customer of Ceramic Fuel Cells, and that their involvement will assist with building momentum for the take-up of our units, both in Australia and overseas.

"The Federal Government recently suggested that Australia will need to invest at least $100 billion in electricity infrastructure during the next decade in order to meet growing demand for electricity and replace ageing infrastructure. Under the current system of centralised electricity production and distribution, the primary reason for increases in electricity prices is the cost of power production and distribution infrastructure.

"A smarter alternative, one that is gaining traction particularly in Europe, is distributed generation – the creation of power close to where it is used. A network of highly efficient gas-powered electricity generators installed in homes, offices, buildings and factories is significantly less expensive because it dramatically reduces reliance on large capital cost infrastructure."

Announcing the project, Victorian Housing Minister Richard Wynne said “The truly exciting thing about BlueGen is that it is highly energy efficient and produces very low levels of greenhouse gases. That’s not only a win for the environment, but also a win for public housing tenants through lower gas and electricity bills.”

Ceramic Fuel Cells has achieved electrical efficiency of 60 percent, far higher than any other technology in the rapidly expanding global market for small scale power and heating generators. When heat is recovered from the electricity production process, total efficiency is up to 85 percent – more than twice as efficient as the average among current Australian power stations.

Ceramic Fuel Cells is continuing to build its order book for BlueGen units from major utilities and other foundation customers in Europe, Japan and Australia. Ceramic Fuel Cells is also installing BlueGen units with VicUrban in Melbourne and Energy Australia in Sydney.

Using the same fuel cell technology, Ceramic Fuel Cells is also developing fully integrated power and heating products with leading energy companies E.ON UK in the United Kingdom, GdF Suez in France and EWE in Germany.

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About Ceramic Fuel Cells Limited

Ceramic Fuel Cells Limited is a world leader in developing fuel cell technology to provide highly efficient and low-emission electricity from widely available natural gas. The Company is developing micro combined heat and power and distributed generation units that generate electricity and heat for homes and other buildings. Ceramic Fuel Cells is developing products with leading appliance partners and utility customers in Germany, France, the United Kingdom and Japan. In 2009 the company launched its BlueGen gas-to-electricity product.

Ceramic Fuel Cells is headquartered in Melbourne, and has operations in the UK and Germany. In October 2009 the Company opened its fuel cell stack manufacturing plant in the Industriepark Oberbruch in the North Rhine-Westphalia region of Germany. The Company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

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