

30 April 2013

CFCL Funding Update

Ceramic Fuel Cells Limited (AIM / ASX: CFU) a leading developer of generators which use fuel cell technology to convert natural gas into electricity and heat for homes and other buildings, provides the following further update to shareholders on its fund raising activities.

The Company has received in principal commitments from institutional investors in the UK to raise an amount of GBP 4.3 million (AUD 6.5 million), subject to the finalisation of transaction documents with each of them. This documentation is expected to be completed over the next 2 days. The amount to be raised may increase further over that period.

The fundraising will be constituted by the issue of both new ordinary shares and secured convertible loan notes. The notes will have a 3 year term, a 9% per annum coupon rate (payable quarterly) and can be converted into equity at anytime at the holder's election. The issue price of the new ordinary shares and the conversion price for the loan notes will be 2.14 pence per share (approximately 3.2 cents).

The Company proposes to convene an extraordinary general meeting of its members to approve certain elements of the capital raising and in particular, the grant of security over the Company's intellectual property to secure repayment of the convertible loan notes.

In addition to these funds, the Company expects to receive a further AUD 5.0m (GBP 3.3m) in cash from the Australian Government around the middle of the year in relation to a tax refund. This amount arises as a refundable credit in relation to the Company's FY12 Research & Development expenditure that is claimable for tax purposes.

The Company will provide further details on the fund raising in the next few days.

About Ceramic Fuel Cells Limited:

Ceramic Fuel Cells (CFCL) is a global leader in the development and manufacture of solid oxide fuel cell-based micro combined heat and power generators and offers the first commercially available product in Europe. Located in Australia and Europe, CFCL's initial focus markets to commercialize the technology are the UK, Germany and the Benelux countries. The company employs about 120 people worldwide, including the UK. CFCL is listed on the AIM market of the London stock exchange and on the Australian stock exchange (code CFU). (www.cfcl.com.au)

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