



30 June 2014

Ceramic Fuel Cells Limited Technology Update

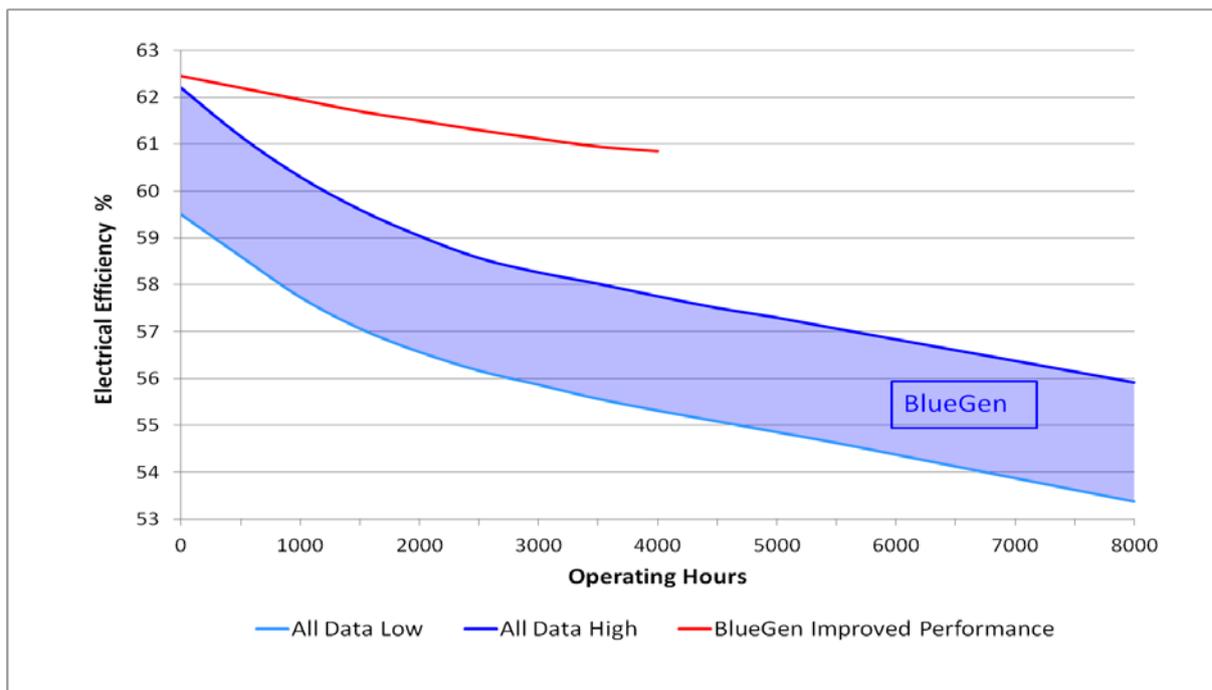
- Substantial reduction of stack degradation rates achieved

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

Stack degradation rates reduced by up to 70%

CFU is pleased to announce that recent patented improvements to its BlueGEN product have reduced stack degradation rates significantly. Extensive in-house and in-field testing demonstrated a reduction of up to 70% of the average degradation rate experienced in current customer BlueGEN products. These improvements have also been validated in a BlueGEN operating at a site of CFU's key German customer, EWE, over the past 6 months.

This substantial decrease in the degradation rates significantly improves the efficiency of the product over the life of the stack as demonstrated by the following graph. The blue shaded section in the graph is representative of the BlueGEN degradation band before the implementation of the patented solution, which is illustrated by the red line.



These patented improvements are presently being introduced into the supply chain and will then be incorporated into routine stack production at the Heinsberg assembly facility.

Markus Seidel, Manager Product Development of EWE, stated that EWE was excited by the outstanding improvements made by CFU and that EWE was convinced that this technology would play an important role in transition of the energy systems.

Mr Bob Kennett, Managing Director of CFU, said that this significant technological advancement made by the research and product development team, is a significant step towards the product's 10-year life target. He said that while he was pleased with the progress being made with the technology aspects of the product, he reiterated that the Company is intent on improving the product further. The development focus will remain on its cost reduction and product improvement programmes.

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