

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Ceramic Fuel Cells Limited

ABN

82 055 736 671

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares and options to subscribe for ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 196,672,080 new fully paid ordinary shares.
98,335,832 free attaching options to subscribe for new ordinary shares, at an exercise price of 1.1 cents each. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The new ordinary shares rank equally with ordinary shares already on issue.
Each option is exercisable at an exercise price of 1.1 cents on or before 30 October 2015. On exercise of each option, one new ordinary share will be issued, and such new ordinary share will rank equally with ordinary shares already on issue. |

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new ordinary shares rank equally with existing quoted ordinary shares.</p> <p>Application for quotation of the options is being made.</p> <p>On exercise of the options, new ordinary shares will be issued and these new ordinary shares will rank equally with existing quoted ordinary shares at that time.</p>
<p>5 Issue price or consideration</p>	<p>196,672,080 new fully paid ordinary shares were issued at an issue price of 0.90 cents per share.</p> <p>98,335,832 free attaching options were granted to persons to whom new ordinary shares were issued (on the basis of one free attaching option for every two new fully paid ordinary shares issued). Each option has an exercise price of 1.1 cents each.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The new ordinary shares were issued, and options to subscribe for new ordinary shares were granted, as part of a renounceable rights issue announced on 29 September 2014 to raise working capital and for other purposes as described in the Prospectus issued on the same date.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>

+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	20 November 2014
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	196,672,080 new fully paid ordinary shares. 98,335,832 options to subscribe for new ordinary shares at an exercise price of 1.1 cents each.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	298,843,898 under Rule 7.1 plus 269,495,545 under Rule 7.1A equals 568,339,443 Total
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	26 November 2014.

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- 8 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
2,800,354,869	Ordinary Shares
98,335,832	Options to subscribe for new fully paid ordinary shares

- 9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
24,800,000	Options exercisable at \$0.0378 on or before 24 March 2018.
and 4,100,000	convertible loan notes with a face value of £4,100,000
and 1	Convertible Security with a face value of US\$375,000
and 1	Convertible Security with a face value of US\$450,000
and 8,230,650	options (refer Annexure 2)

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable.

Part 2 - Pro rata issue

- 11 Is security holder approval required?

No.

- 12 Is the issue renounceable or non-renounceable?

Renounceable.

- 13 Ratio in which the ⁺securities will be offered

3 new ordinary shares were offered for every 5 existing shares held by qualifying shareholders as at the record date.

- 14 ⁺Class of ⁺securities to which the offer relates

New ordinary shares; and options to subscribe for new ordinary shares.

⁺ See chapter 19 for defined terms.

15	+Record date to determine entitlements	7:00pm on 3 October 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to new shares were rounded down to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	UK, Netherlands, Germany, USA, Hong Kong, PRC, Singapore, Republic of Ireland, Guernsey, Jersey, Indonesia, Japan, Malaysia, Switzerland, Thailand, Canada; Fiji, France, Phillipines.
19	Closing date for receipt of acceptances or renunciations	5:00 pm on 19 November 2014

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20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Acceptance form and offer documents were sent on 8 October 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Notices were sent to option holders on 29 September 2014
28	Date rights trading will begin (if applicable)	Rights trading began on 8 October 2014
29	Date rights trading will end (if applicable)	Rights trading ended on 22 October 2014
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Security holders were able to sell their entitlements in full through a broker by following the instructions in the section headed "Sale or Disposal of your Entitlement" on the Entitlement and Acceptance Form as described in the Prospectus.

+ See chapter 19 for defined terms.

31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Security holders were able to sell part of their entitlements through a broker by following the instructions in the section headed "Sale or Disposal of your Entitlement" on the Entitlement and Acceptance Form in respect of the proportion of their entitlement that they wish to sell. In relation to the proportion of their entitlement they wish to accept, they needed to complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Entitlement and Acceptance Form and return it, together with payment of application money for the full amount payable in accordance with the terms of the Prospectus.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<p>Qualifying shareholders on the issuer sponsored subregister wishing to sell all or a proportion of their entitlement to another person, other than on ASX, were required to forward a completed standard renunciation and transfer form (which can be obtained from the Company's share registry) accompanied by the buyer's cheque for the amount (in Australian dollars) corresponding to the new shares they wish to subscribe for, in accordance with the prospectus.</p> <p>Shareholders wishing to sell all or a proportion of their entitlement to or from a holding on the CHESSE subregister were required to engage the CHESSE controlling participant for that CHESSE holding, and were required to follow the CHESSE controlling participant's instructions as to the most appropriate way for the buyer to take up the entitlement, and otherwise comply with the Prospectus.</p>
33	+Issue date	26 November 2014.

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 26 November 2014
(~~Director~~/Company Secretary)

Print name: Glenn Raines

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,601,287,414
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	109,302,848 (Dec 2013 Share Purchase Plan) 196,672,080 (2014 Rights Issue, the subject of this Appendix 3B) 10,000,000 (Mar 2014 Bergen Shares) 672,000,000 (Apr 2014 Share Placement) 105,693,108 (Bergen Shares ratified at AGM held 20 November 2014)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	2,694,955,450

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	404,243,317
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	41,134,062 Shares (Dec 2013 Overseas Offer) 9,800,000 Shares (Mar 2014 Bergen) 33,022,857 Shares (Oct 2014 Bergen) 21,442,500 Shares (Nov 2014 Bergen)
“C”	105,399,419
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	404,243,317
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	105,399,419
Total [“A” x 0.15] – “C”	298,843,898 <i>Note: this is the remaining placement capacity under rule 7.1</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,694,955,450
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	269,495,545
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	0
“E”	0

+ See chapter 19 for defined terms.

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	269,495,545
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	269,495,545 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

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Annexure 2

Ceramic Fuel Cells Limited securities not quoted on ASX

Share Options issued under the
CFCL Share Option Plan and Directors and Employee Benefits Plan
as at 26 November 2014

Grant Date	Expiry Date	Exercise price A \$	Balance at 26 November 2014	Exercisable at 26 November 2014
12 Oct 2005	11 Oct 2015	0.57	123,250	-
24 Aug 2006	23 Aug 2016	0.58	199,200	199,200
29 Aug 2007	28 Aug 2017	1.01	756,210	756,210
28 Mar 2008	27 Mar 2018	0.45	690,400	690,400
28 Aug 2008	27 Aug 2018	0.44	1,118,430	1,118,430
26 Jun 2009	25 Jun 2019	0.175	1,731,710	1,731,710
1 Oct 2010	30 Sep 2020	0.1825	1,439,700	1,439,700
28 Sep 2011	27 Sep 2021	0.15	2,171,750	2,171,750
Total Number of Options			8,230,650	8,107,400

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Annexure 3

Ceramic Fuel Cells Limited

Attaching Options – Twenty largest holders

Registered holder of attaching options	Number	Percentage of total attaching options
J P Morgan Nominees Australia Limited	7,736,966	7.87
Appwam Pty Limited	6,000,000	6.10
Mr Keith William Round & Mrs Dianne Suzanne Round	1,500,000	1.53
Mr Anthony Boyd Milic	1,411,643	1.44
Ateq Investments Pty Ltd	1,357,687	1.38
National Nominees Limited <Db A/C>	1,211,400	1.23
Ms Karin Sandra Webb	1,200,000	1.22
Zacami Pty Ltd	1,200,000	1.22
Our4seasons Pty Ltd <The Schurer Family S/F A/C>	1,111,111	1.13
Yong International Investments Pty Ltd	867,187	0.88
Mr John Joseph Reidy	750,000	0.76
Mr Malcolm William Hayes & Mrs Virginia Susan Hayes	675,000	0.69
Mr Barry John Thompson & Mrs Yvonne Jean Thompson	612,187	0.62
Mr Anthony John Prout	600,000	0.61
Mr Anthony Robert Wood	600,000	0.61
Mr Peter Richard Zerbe & Mrs Debra Anne Zerbe	600,000	0.61
Mr Terence Mervyn Risby & Mrs Dawn Lillian Risby	600,000	0.61
Mr Derek William Harris & Mrs Pamela Harris	598,416	0.61
Mrs Young Ok Dowling	595,654	0.61
Pheonix Capital And Investments Pty Ltd	575,000	0.58

+ See chapter 19 for defined terms.

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Annexure 4

Ceramic Fuel Cells Limited

Attaching Options – Distribution

Range	Number of holders
1 – 1,000	64
1,001 – 5,000	474
5,001 – 10,000	266
10,001 – 100,000	835
100,001 and over	195
Total	1,834

+ See chapter 19 for defined terms.