



CERAMIC FUEL CELLS LIMITED

Creating the energy to succeed™

Announcement

17 January 2005

Alternative energy developer at forefront of manufacturing plant potential

Energy company, Ceramic Fuel Cells Limited, believes its blueprint for the design of a high volume manufacturing plant places it at the forefront of solid oxide fuel cell companies seeking to meet market demand for efficient and clean stationary power.

In September last year, CFCL signed an agreement with leading international ceramics consultancy, Ceram Research Ltd, to identify the design and cost options for a manufacturing plant for mass production of CFCL's unique ceramic fuel cell plates.

Ceram delivered its initial report in December as contracted, and CFCL is now reviewing it.

Ceram had been engaged to identify world's best practice on equipment and systems to make up an efficient and reliable mass manufacturing fuel cell plant. A key priority for CFCL has been to find a process that will significantly lower the unit cost of production whilst maintaining consistently high standards.

CFCL has designed its fuel cell components to be suitable for mass production. "This is one of the key issues that has governed our design and development, as we recognise that this is a key constraint for other fuel cells companies" said Julian Dinsdale, executive chairman of CFCL.

CFCL believes it is well advanced in the solid oxide fuel cell industry in developing the design for a mass manufacturing plant. Some PEM (Proton Exchange Membrane) cell companies are already geared up for fuel cell production for transport, and a ceramics company has announced plans for a production plant for uncoated ceramic plates for sale to SOFC (solid oxide fuel cell) companies; whereas CFCL has looked to produce all related components in a fuel cell stack: the electrolyte plates, separator plates and their seals and coatings in one efficient automated process.

"One of the key challenges for us and Ceram in this project has been to find the balance between innovative processing and off the shelf equipment. We are conscious of the fact that our decisions relate to the cost of our market entry product," Mr Dinsdale said.

CFCL is in discussions with potential joint venture partners regarding the design platform, building footprint and requirements for a mass production plant.

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Ceramic Fuel Cells Ltd (CFCL) is a publicly listed company (ASX code CFU) and world leader in development of energy fuel cells using natural gas. CFCL's fuel cells have significant potential to meet market demand in Europe, UK and Asia for clean, efficient, green and reliable electricity for use on site and sale back into the power grid.

With 100 skilled staff and 28 patents for its unique product design and intellectual property, CFCL is pursuing partnerships for manufacture, production and use of its fuel cells in delivering electricity in homes, offices and industry around the world.

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