



CERAMIC FUEL CELLS LIMITED

Creating the energy to succeed™

Announcement

13 April 2005

Energy Developer increases power output

Ceramic Fuel Cells Limited (ASX code CFU) has succeeded in increasing the power output of its fuel cell, the core component in its energy generator. This achievement will enable CFCL to reduce the costs of its first product to market, the micro-CHP (combined heat and power) unit.

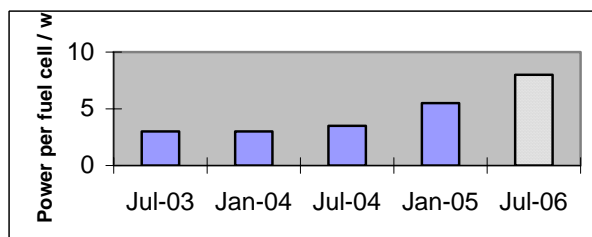
CFCL has nearly doubled the power output per fuel cell from 3 to 5.5 watts in 12 months, from January 2004 to January 2005. Effectively this means CFCL is able to generate the same 1 kW of electricity from a smaller stack of cells. This can reduce the material, manufacturing and assembly costs of fuel cell stacks and therefore CFCL's prototype micro-CHP units.

This achievement is particularly significant as the company continues to work towards volume manufacture of its fuel cells for the UK and European markets.

CFCL believes that two of the key success factors in commercialising its technology are firstly to minimise the size and cost of the fuel cell stack, and secondly to facilitate high volume manufacture. The increases in power output per cell, and the Company's ongoing work in this area, advance both these factors.

CFCL is currently commissioning and testing its current prototype micro-CHP unit that uses natural gas for field trials with Powerco in New Zealand.

"These first units to go to Powerco will feature our newest fuel cells. The fuel cell stack within this unit will be smaller than originally anticipated while still supplying the same power" said Julian Dinsdale, Executive Chairman of CFCL.



Past and target improvements in power per cell

"We look forward to achieving still further power improvements and reducing cost and size to a point we have a commercially competitive unit suited to normal domestic requirements in the UK and EU markets that are encouraging the uptake of micro-CHP systems" concluded Julian Dinsdale.

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