



CERAMIC FUEL CELLS LIMITED
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Announcement

19 April 2005

First Field Trial for Australian Fuel Cell Appliance

Ceramic Fuel Cells Limited (CFCL) and Central Gippsland Institute of TAFE (GippsTAFE) announce their agreement for Australia's first field trial of a fuel cell powered micro-CHP (combined heat and power) generator appliance.

CFCL is Australia's only commercial developer of fuel cell systems and has teamed up with GippsTAFE for its expertise in training in the electrical, gas, energy, water and telecommunications industries.

The prototype trial will be conducted at GippsTAFE's Chadstone campus by their subsidiary Energy and Telecommunications Training Australia (ETTA). The trial will also utilise the expertise developed by GippsTAFE in its long association with the Latrobe Valley electricity generation industry.

Julian Dinsdale, Executive Chairman of CFCL said "We are pleased that the first Australian site for testing and monitoring of our fuel cell powered prototype micro-CHP unit will be with a leading energy industry training institution".

"It is an ideal match for us to work with people in energy utilities, showing them the features of two emerging and sophisticated technologies - fuel cells and micro-CHP."

Peter Whitely, Chief Executive Officer, GippsTAFE, said "ETTA recognises that fuel cells and micro-CHP units are coming to Australia and this region".

"Through this field trial we will be able to stay at the forefront of the industry and train people in the practical matters of installation, operation, maintenance, and management of fuel cells in micro-CHP. Micro-CHP units have the potential to radically change the way power is generated in the future more efficiently, reliably and cleanly."

Mr Whitely observed "Fuel cells and micro-CHP are already gaining support in the UK and Europe, especially Germany, because they offer significant fuel efficiencies and solutions to both governments and utilities to help meet greenhouse gas emission targets, air quality requirements and network distribution constraints."

Mr Dinsdale explained "CFCL's fuel cell units are designed to provide efficient, reliable, constant and environmentally friendly 'mini-generators' on site in homes, offices and farms, thereby reducing reliance on large, centralised electricity generators and transmission and distribution networks.

"Currently our units use readily available natural gas, and have the potential to use renewable fuels such as ethanol or biogas. The current 1 kW appliance is suited for

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use in the standard home, and in the future they can also be scaled up to suit a range of power outputs”, said Mr Dinsdale.

“Our prototype micro-CHP units are expected to be extremely efficient. They convert gas to electricity in a silent process, unlike combustion engines, and have the potential to reduce greenhouse gas emissions by 60 per cent over a conventional coal fired power station.”

“When not using the full electrical output from the unit locally, power can be exported and sold back into the electricity grid.”

This field trial is for an initial period of three months and may be extended by agreement. CFCL and ETTA will work together to finalise the timetable for the site preparation works and delivery of the unit in the next few months.

This is the second field trial contract signed by CFCL; the first with New Zealand electricity utility, Powerco, was signed in November 2004 for two units. CFCL is in negotiations for other field trials in Australia and Europe.

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Ceramic Fuel Cells Ltd (CFCL) is a publicly listed company (ASX code CFU) and world leader in the development of solid oxide fuel cells. CFCL's fuel cells have the potential to meet significant 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 extensive patented technology, 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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