



Announcement

24 February 2006

CFCL lodges Prospectus for offer to Participating Shareholders

Ceramic Fuel Cells Limited (ASX code CFU) has today lodged a Prospectus to raise up to \$2.75 million at \$0.50 per share from CFCL Participating Shareholders.

The Australian Placement offer will be made to Participating Shareholders, being those existing CFCL shareholders who had confirmed their interest in participating by returning their Intention Form to the Company's registry on or before 30 January 2006.

The offer is scheduled to open on Friday, 3 March 2006 and close on 17 March 2006, with new shares under the offer being quoted on the ASX on or around 29 March 2006. (These dates are indicative only and may be varied by the Company.)

The Prospectus is currently scheduled to be mailed to all Participating Shareholders in the week commencing 6 March 2006. The Prospectus will also be available on the Company's website (www.cfcl.com.au), however only applications from Participating Shareholders will be accepted.

The Australian Placement gives Participating Shareholders the opportunity to acquire further shares in the Company at the same price as offered to UK and European Institutions under the UK Placement of approximately \$87.4 million, announced earlier this week.

CFCL is scheduled to list on the AIM market of the London Stock Exchange (AIM symbol CFU), on Thursday 2 March 2006.

If there is strong demand for the Australian Placement, the Company may consider accepting oversubscriptions under the limit permitted by the ASX Listing Rules, which allows an issue of up to 15% of the Company's capital in any 12 month period, without shareholder approval.

The Company's Corporate Advisers to the UK Placement, **Inteq Limited**, are acting as Lead Manager to the Australian Placement and can assist with shareholder enquiries on telephone **(+ 61 2) 9229 2760**.

ENDS

Ceramic Fuel Cells Ltd (CFCL) is a publicly listed company (ASX code CFU) and world leader in developing solid oxide fuel cells. CFCL's fuel cells have the potential to meet significant market demand in Europe, UK and Asia for clean, efficient 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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