



CERAMIC FUEL CELLS LIMITED

Announcement

3 March 2006

Admission to AIM

On Thursday 2 March 2006 Ceramic Fuel Cells Limited was admitted to trading on the AIM market of the London Stock Exchange.

Attached to this announcement is the 'first day of dealings' announcement released to the AIM market on Thursday 2 March 2006 (UK time).

The Company will remain listed on the Australian Stock Exchange.

More information on the AIM market, and the current price on AIM, is available at www.londonstockexchange.com. The Company's AIM code is CFU.

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Ceramic Fuel Cells Ltd (CFCL) is a publicly listed company (ASX / AIM 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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Announcement

2 March 2006

Ceramic Fuel Cells Limited announces the first day of dealings on AIM

Ceramic Fuel Cells Limited ("CFCL" or the "Company"), a leading flat plate solid oxide fuel cell technology company, today announces the admission to trading of its ordinary shares on the AIM market of the London Stock Exchange ("Admission").

The admission is by way of a placing of 175 million new shares ("Placing") at 21.25p (A\$0.50) per share ("Placing Price"), representing 60.7 per cent. of the enlarged issued share capital of the Company. The gross proceeds of the Placing are approximately £37.2m. Following Admission the number of ordinary shares in issue will total 288,176,448.

Based on the Placing Price, the Company will have a market capitalisation at Admission of around £61.2 million (A\$144.3 million). Around 90 new institutional investors in the UK and Europe are being allocated shares under the placement.

CFCL Chairman Julian Dinsdale said: "The European market is very important to Ceramic Fuel Cells Limited, and we are delighted with the response we have had from institutional investors. The funds raised will help advance CFCL's commercialisation and technology development and will be invested in new manufacturing facilities in Europe. We see this as a significant step for CFCL and look forward to developing the business further.

The Company will remain listed on the Australian Stock Exchange.

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More information, including images for download, is available at www.cfcl.com.au

Business Summary

- CFCL has been developing solid oxide fuel cells and core balance of plant for the last 12 years at its R&D, manufacturing and testing facility in Melbourne, Australia. The Company employs over 100 staff with offices in Australia and the UK. CFCL has invested a total of £64 million in its technology and facilities to date.
- CFCL has achieved a number of significant technical milestones. It has 28 patent families in major jurisdictions, relating to fuel cell materials, cell and stack configurations, fuel processing and system control technologies. .
- CFCL is now seeking to commercialise its flat plate solid oxide fuel cell technology for application in micro combined heat and power systems (m-CHP) for use in the home. CFCL plans to manufacture fuel cell stacks and core balance of plant and supply these to appliance manufacturers that will build m-CHP systems. These will be sold to utility companies for deployment in their customers' homes. CFCL's fuel cells run on natural gas that is conventionally piped into the home, but can also run on propane and butane bottled gases.
- The Company has built several fully integrated prototype m-CHP systems incorporating its fuel cells. Several of these systems, designed to generate 1kW of power and 1kW of heat, have been deployed in field trials with commercial partners in Germany, Australia and New Zealand.

Advantages of CFCL's Fuel Cell Technology

- Fuel cells demonstrate a high level of electrical efficiency at the users' site – up to 50%. This compares with around 25% efficiency for coal fired power generation and approximately 40% for gas fired combined cycle power stations. CFCL's fuel cell systems are a distributed generation solution, which can reduce the need for long-distance transmission and associated efficiency losses.
- CFCL's fuel cells have no moving parts, produce no vibration and no noise, and are designed for volume production. Its fuel cells reduce carbon dioxide emissions by up to 60% when compared to coal fired electricity generation.

Commercialisation of CFCL's Fuel Cell Technology

- CFCL plans to invest a significant portion of the proceeds from the placing in volume manufacturing facilities in Europe – the key near-term market for its products. CFCL plans to build a specialist ceramic powder plant and a volume fuel cell stack manufacturing plant. Fuel cell stacks manufactured from its plant are intended to be supplied to appliance manufacturer partners that will build m-CHP systems for utility customers.
- CFCL is currently in discussions with a range of appliance manufacturers and utility companies across Europe.

The contents of this announcement, which has been prepared and issued by and is the sole responsibility of Ceramic Fuel Cells Limited, have been approved solely for the purposes of section 21 of the Financial Services and Markets Act 2000 by Libertas Capital Corporate Finance Limited. Libertas Capital Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Ceramic Fuel Cells Limited and for no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than Ceramic Fuel Cells Limited for providing the protections afforded to customers of Libertas Capital Corporate Finance Limited or for advising them on the contents of this announcement or any matter referred to herein.

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