

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Ceramic Fuel Cells Limited

ABN

82 055 736 671

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 236,111 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The rights and liabilities attaching to ordinary shares are set out in the company's constitution. |

Appendix 3B
New issue announcement

- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

The shares rank equally with all ordinary shares of the company.

- 5 Issue price or consideration

Shares issued at \$0.60 per share in consideration of fundraising consulting services.

The issue price of \$0.60 is the volume weighted average share price of the Company's shares as traded on ASX for the 30 day period ending on the day the Company was listed on the UK AIM market (ie 1st February to 2nd March inclusive).

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The shares the subject of this application were issued to J.W. Dinsdale and Associates Pty Ltd ABN 58 061 331 584, a related party of Mr Julian Dinsdale, the chairman of the company, under the terms of a consulting agreement entered into in October 2005.</p> <p>Under the terms of the agreement, J.W. Dinsdale and Associates Pty Ltd is entitled to receive a commission of \$425,000, being 0.5% of \$85 million equity raised by the Company.</p> <p>One-third of the \$425,000 is payable in cash and the balance in two equal instalments of shares (at an issue price of \$0.60, \$141,667 equates to 236,111 shares). This share issue is the first instalment. The second instalment is due on 31 December 2006 or such later date as agreed by the Board, provided Mr Dinsdale is Chairman of the Company at that time.</p> <p>The issue of the shares was approved by the shareholders of the company at a general meeting on 23 November 2005.</p> <p>Under a Lock-In Deed executed as part of the AIM admission (and disclosed in the AIM Admission Document) Mr Dinsdale has agreed not to dispose of any ordinary shares for 12 months from Admission to the AIM market (ie to 2 March 2007) except in limited circumstances permitted by the AIM rules.</p>						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	14 March 2006						
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">290,872,559</td> <td style="padding: 2px;">Ordinary</td> </tr> <tr> <td style="padding: 2px;">Number</td> <td style="padding: 2px;">+Class</td> </tr> </tbody> </table>	Number	+Class	290,872,559	Ordinary	Number	+Class
Number	+Class							
290,872,559	Ordinary							
Number	+Class							

S/3333471/1

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	N/A	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?		
12	Is the issue renounceable or non-renounceable?		
13	Ratio in which the ⁺ securities will be offered		
14	⁺ Class of ⁺ securities to which the offer relates		
15	⁺ Record date to determine entitlements		
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?		
17	Policy for deciding entitlements in relation to fractions		
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents		
	Note: Security holders must be told how their entitlements are to be dealt with.		
	Cross reference: rule 7.7.		
19	Closing date for receipt of acceptances or renunciations		
20	Names of any underwriters		

21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

S/3333471/1

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



14 March 2006

Andrew Neilson, Company Secretary

== == == == ==