



29th June 2006

CERAMIC FUEL CELLS LIMITED

CERAMIC FUEL CELLS HITS MAJOR MILESTONE WITH CONTRACT TO SUPPLY TEN NETGEN™ UNITS TO EWE

Ceramic Fuel Cells Limited (CFCL), a world leading manufacturer of solid oxide fuel cells and provider of enabling technology for micro-combined heat and power (m-CHP) units, has signed a further contract with EWE, the fifth-largest German multi-service energy company, validating the initial field trials that began in January 2006. Under this agreement, CFCL will supply EWE with ten NetGen™ units for further field trials as part of a collaborative project to develop commercial-ready m-CHP products for the European market. This is CFCL's most significant contract to date, and takes the company within striking distance of its target of selling 12 Net Gen™ units by the end of 2006.

This contract follows an initial order of two field trial units by EWE in July 2005 and a Letter of Intent (LOI) signed by the companies for a commercialisation programme for fuel cell based m-CHP systems for the residential market, using CFCL's core stack and balance of plant technology.

Brendan Dow, Chief Executive Officer, CFCL, commented:

"This order of 10 units is a significant milestone for Ceramic Fuel Cells, validating the field trials and demonstrating EWE's commitment to progress the commercialisation programme in the consumer market by installing fuel cell powered m-CHP units in the home. This order is also further evidence of CFCL's progress towards full commercial roll-out in 2008-09.

"In addition to this order of units, we are continuing to work closely with EWE to develop commercial-ready products. We are also building a pipeline of opportunities with other utilities and appliance partners and will be updating the market on further progress in the coming months."

Dr. Werner Brinker, Chief Executive Officer, EWE, commented:

"The development of efficient and environmentally friendly technologies is absolutely vital. EWE has many years of experience with fuel cells. Together with CFCL we expect to gain further expertise on the way to the market-ready stage of this up-and-coming technology."

ENDS

For further information please contact:

Andrew Neilson
Brendan Bilton
Ceramic Fuel Cells

+61 419 950 771
+44 (0) 7798 554 191
investor@cfcl.com.au

Nick Denton / Vanessa Orr
Hogarth Partnership

+44 (0) 20 7357 9477

Aamir Quraishi / Charles Goodfellow
Libertas Capital

+44 (0) 20 7569 9661

NOTES TO EDITORS

Ceramic Fuel Cells Limited (CFCL) is a publicly listed company on the Australian Stock Exchange and the Alternative Investment Market (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.