



CERAMIC FUEL CELLS LIMITED

Clean power for your home

29th August 2006

CERAMIC FUEL CELLS LIMITED

APPOINTMENT TO BOARD OF DIRECTORS

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 and distributed generation, today announces the appointment of its first UK-based Non-Executive Director. This appointment reflects the Company's commitment to strengthening its base in the United Kingdom, following on from its listing on AIM earlier in the year and also its increased focus on commercialising its technology, particularly throughout the European market.

Robert (Bob) Kennett, 56, has spent his career in the energy sector and has been focused on Combined Heat and Power and renewables. He held the position of Managing Director of Powergen Combined Heat and Power Ltd for 12 years and, for three years simultaneously, was the Chairman of PowerGen Renewables Ltd. In his ten years in this position, Bob successfully established and managed a leading and profitable Powergen business in the UK Combined Heat and Power market with assets of more than £600m at 22 sites.

Bob is currently a consultant advising financiers and investors on business opportunities in the UK Combined Heat and Power and Renewable Energy markets.

Bob had previously worked at GEC Gas Turbines, Associated Heat Services and ABB Power. While at Powergen, he held the position of Chairman of the Combined Heat and Power Association. He is currently on a Panel of Independent Assessors for DTI Energy Programmes, as well as being a board member for Power Industries division of the Institution of Mechanical Engineers. Bob holds an honours degree in Mechanical Engineering and is a Fellow of the Institution of Mechanical Engineers.

Julian Dinsdale, Chairman of Ceramic Fuel Cells, commented:

"I am delighted that Bob is joining the Board of Ceramic Fuel Cells. He has a great track record in building and managing businesses in Combined Heat and Power, knows the renewables sector well and he has an excellent understanding of the financial community. His range of experience will be invaluable as we move towards commercialisation."

ENDS

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NOTES TO EDITORS

About Ceramic Fuel Cells Limited

Ceramic Fuel Cells Limited (CFCL, www.cfcl.com.au) is a world leader in developing solid oxide fuel cell (SOFC) technology which can provide reliable, energy efficient, high-quality, and low-emission electricity from widely available natural gas and renewable fuels. CFCL is developing SOFC products for small-scale on-site micro combined heat and power (m-CHP) and distributed generation units that co-generate electricity and heat for domestic use.

CFCL is now at an advanced stage of development, and is moving swiftly towards commercialization. Since 1992, CFCL has developed its own fuel cells and complete fuel cell 'stacks', and has also succeeded in creating the highly engineered "balance of plant" that surrounds the fuel cell stack and controls the inputs (fuel, air and water), outputs (heat and electricity), timing, and temperature controls.

CFCL is currently demonstrating prototype units in field trials with EWE (the fifth-largest German multi-service energy company) and Powerco (New Zealand's second largest electricity and gas distribution company). In June 2006, CFCL signed a contract with EWE to supply ten CFCL NetGen™ units for further field trials as part of a collaborative project to develop commercial-ready m-CHP products for the European market.

CFCL has extensive R&D, testing and manufacturing facilities in Melbourne, Australia. CFCL will build a fuel cell manufacturing facility in Europe, with plans to begin large scale production in 2008-09, making CFCL a leader in preparing for volume manufacturing. The Company will also construct a plant in Europe to produce high quality ceramic powders, which are a key component of solid oxide fuel cells, using the Company's patented technology. The powder plant is scheduled to be commissioned in Q1 2007.

With over 100 skilled staff and extensive patented technology (50 patents in 28 patent 'families' to date), CFCL is pursuing partnerships for manufacture, production and use of its fuel cells in delivering electricity to the domestic European and Asian markets.

CFCL was formed in 1992 by Australia's CSIRO (Commonwealth Science and Industry Research Organisation) and a consortium of leading energy and industrial companies. A UK subsidiary was established in 2004. The Company is based in Melbourne, Australia and Chester, United Kingdom. It is publicly listed on both the AIM Stock Exchange, London (floated March 2006), and on the Australian Stock Exchange (floated July 2004). The company's code on both exchanges is CFU.

Appendix 3X

Initial Director's Interest Notice

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 30/9/2001.

Name of entity	CERAMIC FUEL CELLS LIMITED
ABN	82 055 736 671

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Robert Kennett
Date of appointment	24 August 2006

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
None

+ See chapter 19 for defined terms.

Appendix 3X
Initial Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
Note: Provide details of the circumstances giving rise to the relevant interest.	None

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	None
Nature of interest	
Name of registered holder (if issued securities)	
No. and class of securities to which interest relates	

+ See chapter 19 for defined terms.