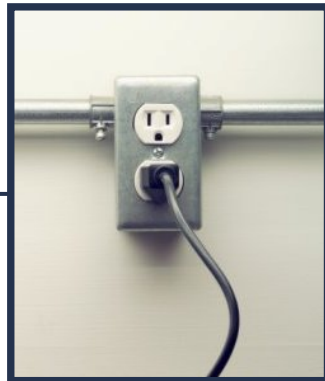
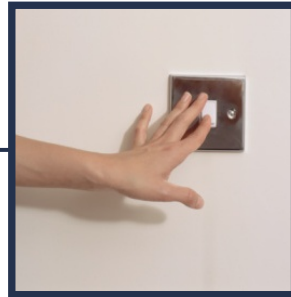




CERAMIC FUEL CELLS LIMITED

Clean power for your home



2006 Annual General Meeting

Chairman's Address

Julian Dinsdale
Chairman

Ceramic Fuel Cells Limited
28 November 2006



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Welcome

CFCL's first AGM as a dual-listed company

- March 2006 fundraising and London AIM listing
- Welcome to UK/EU shareholders

Agenda

- Chairman's Address
- Formal meeting
- CEO Presentation
 - 2005 / 06 Achievements
 - Initial Product – micro CHP
 - Technical Progress
 - Risk Management
 - 2006 / 07 Activities



Chairman's Address is being webcast on www.brr.com.au

Webcast link and presentations are on www.cfcl.com.au



Focused Strategy

CFCL will be the supplier of choice for reliable and high electrically efficient solid oxide fuel cell products which manufacturers can easily integrate into micro generation appliances for the European market.

Use the Company's assets efficiently by focusing on micro CHP units and other distributed power generators for homes.

Implementing this strategy will deliver "clean power for your home".





Building Demand: Products and Customers

Utility customers

- EWE orders 10 NetGen™ units
- Expect to finalise contracts with other European customers shortly
- Medium term opportunities in Asia

Appliance partners

- Integrate CFCL fuel cells into home CHP systems and other products.
- Relationships with initial partners - expect to finalise product development agreements shortly

Field Trials

- Utility customers and Appliance partners.
- Real world operating experience drives ongoing improvement
 - Total system operation, remote control, grid connection
 - Increase power output, reliability and lifetime of the fuel cell stack



Building Supply: Materials and Manufacturing

Increase Australian production - field trials and product development

UK powder plant

- Site works & equipment installation Q1 2007, commissioning Q2 2007.

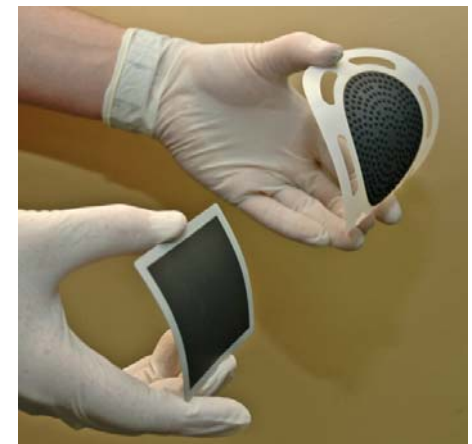
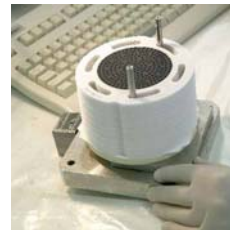
European fuel cell plant

- Generate revenue; economies of scale; penetrate target markets.
- Significant investment of shareholders' funds = Careful planning
- Location & Government support – expected December 2006.
- Funding - Discussions underway. Will examine alternatives to mitigate risk.
- Project Plans
 - Refresh plans (scope, timing & cost) based on location and funding.
 - Build on prior work & factor in ongoing technology improvements.
- Ongoing shareholder communication during project.



Technical Improvements

- **Granted four more patents in 2005/06**
 - now 61 patents granted, in 16 jurisdictions
- **Next generation fuel cells developed**
- **Re-designed balance of plant components**





Financial

Fundraising

- Three fundraising rounds raised \$99.5M (£40M) before costs
- UK AIM listing March 2006

FY 2006 Results

- Revenue from continuing operations = \$2M (£840k), more than double FY05
 - higher revenue from field trial contracts + higher interest income
- Operational expenses (ex borrowing costs) = \$17.6M (£7M), 3% lower than FY05
 - Research & Product Development costs were 9.6% lower than FY05
 - Costs likely to increase in FY07 - more NetGen™ units, Europe commercialisation activities.
- Net loss = \$13.3M (£5.4M). Lower than FY05 - forex gain, higher interest received.
- Operating cash outflow = \$12.2M (£4.9M).
- Net assets at 30 June 2006 = \$85.7M (£34.7M).



Conclusion

2007

- Delivering field trial units to EWE and other utility customers
- Developing products with Appliance partners
- UK powder plant, Europe fuel cell manufacturing plant

Exciting stage of the Company's development

- ✓ tremendous opportunities
- ✓ transition to commercialisation

Thank you for your support.

