



# CERAMIC FUEL CELLS LIMITED

Clean power for your home

15<sup>th</sup> March 2007

## **CERAMIC FUEL CELLS LIMITED SIGNS PRODUCT DEVELOPMENT AGREEMENT FOR A GERMAN RESIDENTIAL COMBINED HEAT AND POWER SYSTEM**

Ceramic Fuel Cells Limited (CFCL), a world leading manufacturer of solid oxide fuel cells for micro-combined heat and power (m-CHP) units, today announces that it has signed a new product development agreement with EWE, one of Germany's top five energy suppliers, and Bruns Heiztechnik GmbH (Bruns), a specialist German boiler manufacturer. The project partners will design and develop a fully integrated m-CHP unit for the German residential market.

CFCL received an initial order for its field trial demonstration units from EWE in July 2005. At that time CFCL and EWE also signed a letter of intent to commercialise fuel cell based m-CHP units. In June 2006, CFCL received a second order from EWE, for ten NetGen<sup>TM</sup> prototype units, as part of an ongoing field trial program.

Under the terms of today's product development agreement, CFCL will collaborate with Bruns to design and construct 1kW m-CHP units to meet EWE's specifications for the German market.

The first stage of the project is to design and operate an 'Alpha' unit, whereby a CFCL NetGen unit, a Bruns high efficiency condensing boiler and a thermal store will be integrated and operated via a single control unit. Work on this stage has begun and is expected to be completed in 2007. The second stage is to create a near-commercial 'Beta' unit, comprising a single physical unit in which a CFCL fuel cell module is fully integrated with a Bruns' boiler, without the thermal store.

EWE's participation in this project ensures the development of a customer oriented and economically viable Beta product.

Brendan Dow, Managing Director CFCL, commented:

*"Today's agreement highlights the growing demand for more efficient power and heating systems and represents a further step towards commercialisation of our fuel cell technology. This is another example of our commercialisation model of working with utilities and appliance partners to develop and deploy our systems. We very much look forward to collaborating with EWE and Bruns to produce a commercial-ready product for the German market. It is another important step in our strong relationship with EWE."*

With regard to this, Heinrich Bruns jun., Managing Director of Bruns, says:

*"For almost 50 years now Bruns has been successfully producing heating appliances. Bruns has had a substantial influence on significant ecological and economical developments in the heating appliance market. The fuel cell as an integral part of a micro-CHP unit can mean an enormous advance in terms of optimal fuel utilisation while at the same time considerably reducing exhaust emissions. In keeping with our advertising slogan "Always one step ahead" we both want to and have to play our part in an innovative development which promises a high level of efficiency, low CO-2 levels and the use of alternative fuels. Our success and our market approach are based in particular on the innovative orientation of our company, and at the same time, this is the basis on which to create new jobs and to safeguard existing ones."*

## ENDS

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## NOTES TO EDITORS

### About CFCL

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

[www.cfcl.com.au](http://www.cfcl.com.au)

### About EWE

EWE ranks among Germany's largest energy services companies and is headquartered in Oldenburg in the federal state of Lower Saxony. The group's business activities comprise electricity, natural gas and water supply, environmental technology as well as gas transmission and trade, telecommunication and information technology.

EWE's state-of-the-art energy infrastructure ensures a safe and secure supply as well as efficient operations. At an early stage, the company expanded its activities beyond its core competences as a network operator. Today, EWE offers a diverse range of services. In addition to its activities in its home region between the Ems, Weser, and Elbe rivers, EWE continues to expand its operations in Eastern Germany and diverse European countries. Today, EWE employs around 5,200 people. In 2005, the EWE Group recorded sales of €7.4 billion.

[www.ewe.de](http://www.ewe.de)

### About Bruns

Bruns Kesselbau has been located in Saterland for over 40 years and in 2006 employed over 200 staff. The company has a large portfolio of products, but sells only a few products under its own brand. Bruns products are known under various brand names in the heating market. The company develops and constructs tailor made boilers and storage systems and also products for the booming solar thermal market. With its own R & D section, Bruns is capable of developing products known for their simplicity, reliability and maintainability. This combined with extensive manufacturing expertise, product flexibility and quality ensures the company's success in the very competitive heating market in Europe.

[www.bruns-heiztechnik.de](http://www.bruns-heiztechnik.de)