



CERAMIC FUEL CELLS LIMITED
Clean power for your home



Press Release

24 July 2007

CERAMIC FUEL CELLS, NUON AND REMEHA COLLABORATE ON MICROGENERATION FOR BENELUX REGION

Ceramic Fuel Cells Limited (CFCL), a leading developer of energy products based on solid oxide fuel cells, Nuon NV (Nuon), Holland's leading generator and distributor of electricity, gas and heat and De Dietrich-Remeha Group, represented by Remeha BV (Remeha) today announce that they have formed a collaboration to jointly develop a fully integrated micro-combined heat and power (m-CHP) unit for the residential market across The Netherlands and Belgium.

The new-generation high-efficiency unit, which is based on CFCL's fuel cell system, will enable households and small businesses to generate both heat and electricity.

The unit will look just like a conventional high-efficiency boiler with the difference being that as well as generating heat, it also generates enough power to meet an average household's energy needs. This means more efficient use of natural gas resources, while the CO₂ emissions are up to 25% lower than from a gas-fired power station and up to 60% lower than from a conventional coal-fired power station. The fuel-cell boiler will be easy to install as it uses the same pipes as existing high-efficiency boiler installations.

Peter Erich, Member of the Board of Nuon, commented:

"Technologies that save energy at home are one of our biggest future challenges. We believe that with CFCL and Remeha we can offer households and small companies a solution for a more efficient use of energy and the reduction of CO₂-emissions."

Brendan Dow, Managing Director of CFCL, commented:

"Our fourth product development agreement, this time in the key Benelux market, complements our existing collaborations in the UK, France and Germany and completes our partnering objectives in Europe. We are now well on our way to commercial product development."

"Nuon is widely considered to be at the forefront of clean power generation and our selection as development partner is a huge endorsement of the potential for CFCL's fuel cell technology. Importantly, Nuon has stipulated precisely what it needs to place large orders for commercial m-CHP units providing a clear path for us to formalise volume orders for the first time."

"We are also delighted to have expanded our relationship with the Remeha group. The experiences gained from our existing collaboration with De Dietrich in the French market will serve us well as we work together to develop a commercial product for Benelux residents."

With operations in The Netherlands, Belgium and Germany, Nuon is one of the leading innovative energy companies in Europe, with a stated commitment to efficient and renewable power generation. In December 2006, CFCL announced that it is to develop a large-scale

fuel cell manufacturing facility at the Oberbruch industrial park in Heinsberg, Germany, which is owned and managed by Nuon.

De Dietrich-Remeha Group is one of the largest boiler manufacturers in Europe. Besides Remeha, it includes De Dietrich Thermique, France's leading heating appliance company, with whom CFCL already collaborates via its partnership with Gaz de France. The product development project for Benelux will build on this existing collaboration.

Under the terms of the agreement announced today, CFCL, Nuon and De Dietrich-Remeha will jointly develop 1kW m-CHP units to meet specifications for homes in The Netherlands and Belgium. The first stage of the project is to deploy an 'Alpha' unit, whereby a CFCL NetGen+ unit, a high efficiency condensing boiler and a thermal store will be integrated and operated via a single control unit. Nuon will then test the system for efficiency, reliability and integration. Based on the results of this stage, the partners will then proceed to the second stage - creation of a near-commercial 'Beta' unit, comprising a single physical unit in which a CFCL fuel cell module is fully integrated with a boiler.

The parties have also agreed to define price and performance targets for commercial m-CHP units and, if the project proceeds successfully, to place agreed volume orders for commercial units. On the basis of these volume order targets Nuon will be CFCL's exclusive utility partner in the Benelux region.

The partners will commence work on the project immediately. The Alpha unit is expected to be deployed in the first half of 2008.

The parties have agreed not to disclose the financial terms of the agreement.

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CERAMIC FUEL CELLS LIMITED provides the opportunity to listen to an audio broadcast with **Mr Brendan Dow** and **Boardroomradio** in a presentation titled "**Benelux Agreement and Quarterly Update**".

To listen, simply click on the link below:

<http://www.brr.com.au/event/CFU/46/25670/wmp/ui8p8997rt>

NOTES TO EDITORS

About CFCL

Ceramic Fuel Cells Limited is a 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 listed on the London Stock Exchange AIM market and the Australian Stock Exchange (code CFU).

www.cfcl.com.au

About Nuon

Nuon is a leading energy company that serves over 2 million customers in the Netherlands, Belgium and Germany with electricity, gas, heating and related services. The company is active in the production, trading, transport and supply of (renewable) energy. Nuon pursues balanced growth for all stakeholders: shareholders, employees, customers, the environment and society. Total net turnover for 2006 amounts to EUR 5.6 billion. The number of employees at the end of 2006 was 9,768 FTEs. The larger shareholders of Nuon are the provinces of Gelderland, Noord-Holland, the municipality of Amsterdam and BV Houdstermaatschappij Falcon whose shares are held by the province of Fryslân.

www.nuon.com

About Remeha / De Dietrich Thermique

The Remeha Group is a large global boiler and heating systems manufacturer. The Group, headquartered in The Netherlands, has revenues of some EUR 540 million in 2005, employs 2,500 people and sells products into 40 countries around the world. The group includes De Dietrich Thermique in France and Broag-Remeha in the UK.

www.remeha.com