



# CERAMIC FUEL CELLS LIMITED

*Clean power for your home*

5 February 2008

## **Ceramic Fuel Cells (ASX: CFU) partners with CeramTec to secure volume supply of fuel cell components**

### **CFCL to supply Ceramic Powders to CeramTec**

Ceramic Fuel Cells Limited ("CFCL"), a global leader in fuel cell development, has signed a Co-operation and Supply agreement with CeramTec AG of Germany to secure a high volume supply of fuel cell components.

CeramTec is a world leader in producing high-quality industrial ceramic products for a wide range of applications in the automotive, electronic, medical and machine and plant construction industry.

In line with CFCL's commercialisation strategy the partnership will combine CFCL's and CeramTec's expertise in solid oxide fuel cells (SOFC) with CeramTec's manufacturing capabilities and expertise, securing the supply chain for mass manufacture of high quality fuel cells at commercially viable unit costs.

Under the agreement, CFCL and CeramTec will collaborate to produce advanced solid oxide fuel cell (SOFC) components, in particular anode supported cells. CFCL will license its relevant intellectual property to CeramTec and provide ongoing assistance to optimize the performance of the cell against CFCL's rigorous specifications. CFCL and CeramTec will also collaborate to continually improve cell performance and manufacturing processes and to reduce unit costs.

CFCL will also supply a range of high quality ceramic powders to CeramTec, including from CFCL's powder plant in Merseyside, UK. CeramTec will use these powders to make fuel cell components for re-supply to CFCL and potentially other customers.

Once optimised, CeramTec will supply fuel cells to CFCL at pre-agreed prices until December 2011, securing long term cost visibility for CFCL. Supply of the fuel cells is expected to commence in the second half of 2008, with increases in forecast volumes from 2009.

CeramTec manufactures fuel cells at its plant in Marktredwitz, Germany. CeramTec's world class manufacturing facility is fully equipped to produce high quality fuel cells, with additional plans to invest in new equipment to increase its capacity to 400,000 fuel cells per year from 2009. CeramTec's manufacturing processes are certified to ISO standards 9001 and 14000.

CFCL will continue to produce fuel cells at its Melbourne R&D and pilot manufacturing facility, leveraging its 15 years of development expertise to drive continued improvements in cell performance.

This follows a similar agreement CFCL announced with H.C. Starck of Germany on 29 January 2008.

### **Commenting, Brendan Dow, Managing Director of Ceramic Fuel Cells, said:**

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*“Together, CeramTec and H.C.Starck are two of the world’s leading developers and manufacturers of advanced ceramic products. Combining CFCL’s know how with our partners’ manufacturing capability secures our supply chain for fuel cell components, and allows us to move to volume manufacture quickly and at low risk. Importantly, CeramTec will also purchase powders from our UK plant, which further reduces supply chain risk and creates significant potential revenue streams.”*

Ends

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**About CFCL**

**Ceramic Fuel Cells Limited** 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 developing m-CHP products with leading appliance partners and utility customers in Germany, France, the United Kingdom, Holland, and Japan.

CFCL is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

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

**About CeramTec AG**

CeramTec AG is an international group of companies with more than 3000 employees at 15 production sites in Europe, North and South America and Asia and sales revenue of 350 million Euros.

CeramTec has been developing fuel cells since 1990 and has significant expertise in industrialising advanced ceramic products. CeramTec has invested 8 million Euros in the development of SOFC components, and will use its existing mass production facilities to scale up production of fuel cell components.

CeramTec’s fuel cell development and manufacturing operations are located at its 66.000 m2 production facility in Marktredwitz, Germany. These facilities comprise state of the art continuous tape casters and automated screen printers located in conditioned clean room facilities, production rooms for slurry and paste preparation plus sintering facilities supported by ISO-certified quality control processes.

[www.ceramtec.com](http://www.ceramtec.com)

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