



CERAMIC FUEL CELLS LIMITED

Clean power for your home

21 April 2008

Employee options

Ceramic Fuel Cells Limited announces that on 28 March 2008 it granted 2,051,900 options over Ordinary Shares to employees under the CFCL Directors and Employee Benefits Plan ("**Plan**"). Under the Plan, approved by shareholders in November 2006, the Board offers options to staff as a long-term incentive component of remuneration.

This grant of options recognises the recent achievements of the Company, particularly the volume order from Nuon for 50,000 units, based on agreed performance targets, announced on 27 February 2008. Under this offer, options were granted to a total of 84 staff members, including all senior managers.

The Exercise Price of each option is A\$0.46, which is equal to the average of CFCL's closing price on ASX over the month of February 2008. The options have a one-year waiting period, and can be exercised in the period 28 March 2009 – 27 March 2018 (unless they lapse earlier under the Plan rules).

As part of this offer, the Board also proposes to grant options to Managing Director Mr Brendan Dow, however this offer is subject to shareholder approval. The Board intends to seek shareholder approval at the next general meeting, likely in November 2008. The terms of the proposed offer to Mr Dow will be fully described in the notice of that meeting.

ENDS

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About CFCL

Ceramic Fuel Cells Limited is a leader in developing solid oxide fuel cell (SOFC) technology to provide high efficiency and low emission electricity from widely available natural gas and renewable fuels. CFCL is developing SOFC products for micro combined heat and power (m-CHP) and distributed generation units that co-generate electricity and heat for homes. CFCL is developing products with utility customers and appliance partners in Germany, France, Holland, the United Kingdom and Japan. CFCL is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

www.cfcl.com.au

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Ceramic Fuel Cells Limited

ABN

82 055 736 671

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,051,900 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The Exercise Price of each option is A\$0.46, which is equal to the average of CFCL's closing price on ASX for the month of February 2008.</p> <p>The Issue Date of each option is 28 March 2008.</p> <p>The Exercise Period for each option is 28 March 2009 – 27 March 2018.</p> |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No – only fully paid ordinary shares are quoted.</p>				
<p>5 Issue price or consideration</p>	<p>Nil</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to employees under the CFCL Directors and Employee Benefits Plan.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>21 April 2008</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1433 933 1478">Number</th> <th data-bbox="933 1433 1281 1478">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 933 1693">309,745,670</td> <td data-bbox="933 1478 1281 1693">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	309,745,670	Fully paid ordinary shares
Number	⁺ Class				
309,745,670	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	See schedule 1	
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A
18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19 Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

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New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Despatch date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents N/A

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

N/A

39 Class of +securities for which
 quotation is sought

N/A

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

N/A

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company secretary

..... Date: .21 April 2008

Print name:

Andrew Neilson

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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Schedule 1 - Ceramic Fuel Cells Limited securities not quoted on ASX

As at 21 April 2008

Share Options issued under the CFCL Share Option Plan and Directors and Employee Benefits Plan:

Grant Date	Expiry Date	Exercise price \$	Balance At 21 April 2008	Exercisable At 21 April 2008
15 May 2000	14 May 2010	1.50	60,000	60,000
25 Jul 2000	24 Jul 2010	1.50	135,000	135,000
23 Feb 2001	22 Feb 2011	1.50	1,000	1,000
27 Jul 2001	26 Jul 2011	1.50	3,000	3,000
6 May 2004	5 May 2014	2.01	170,000	170,000
1 Sep 2004	31 Aug 2014	0.77	30,000	30,000
12 Oct 2005	11 Oct 2015	0.58	354,200	-
9 Aug 2006	8 Aug 2016	0.61	150,000	150,000
24 Aug 2006	23 Aug 2016	0.59	577,920	577,920
26 Oct 2006	26 Oct 2010	0.2799	200,000	200,000
29 Aug 2007	28 Aug 2017	1.00	100,000	100,000
29 Aug 2007	28 Aug 2017	1.02	3,539,560	-
4 Dec 2007	3 Dec 2011	0.695	285,000	285,000
4 Dec 2007	3 Dec 2011	1.02	400,000	-
28 Mar 2008	27 Mar 2018	0.46	2,051,900	-
Total Number of Options			8,057,580	1,711,920

+ See chapter 19 for defined terms.