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Ceramic Fuel Cells Technical Advances Result in 50% Increase in Cell Power Density and Longer Lifetime

Ceramic Fuel Cells Limited, (AIM / ASX: CFU) a leading global fuel cell developer, today announces further significant advances in its development of more powerful and durable fuel cell modules for micro combined heat and power (mCHP) products.

The advances will be outlined in papers to be presented at the 8th annual European Solid Oxide Fuel Cell Forum, taking place in Lucerne, Switzerland. The Forum is a gathering of leading solid oxide fuel cell developers and researchers from around the world.

The papers demonstrate Ceramic Fuel Cells' achievements in developing an advanced anode supported fuel cell with power densities of 500 – 650 mW/cm² at electrical efficiency of more than 50%.

Cell **power density** has increased by 50% in 12 months, from 350 mW/cm² reported in June 2007. Importantly, these results have been achieved using widely available natural gas. Ceramic Fuel Cells' products generate electricity from existing natural gas without the need for separate hydrogen infrastructure.

Improved power density has allowed Ceramic Fuel Cells to increase the power output of its commercial stack design from 1kW to 2kW, whilst significantly reducing the cost per kW of the fuel cell module.

Fuel cell stack **lifetime** has also continued to improve significantly. Degradation has reduced by 35% in only four months – from 1.53% / 1000 hours reported in February 2008 to less than 1% / 1000 hours, when operating a 1kW stack in a test station at 750°C on natural gas.

These results have been achieved through advances made in cells, glass technology, interconnect metals, protective coatings on metals and contact technology.

Extensive testing has shown that Ceramic Fuel Cells' patented spinel coating is highly effective at increasing the lifetime of the stack by eliminating chromium emission from stainless steel, which can affect all solid oxide fuel cells.

Ceramic Fuel Cells' testing has demonstrated electrical **efficiencies** of more than 66% for a mini fuel cell stack (three cells) and more than 50% for a complete 1kW fuel cell stack running on widely available natural gas. This is significantly higher than current electricity generating technologies and other microgeneration alternatives.

These advanced components will be used in the mCHP products that Ceramic Fuel Cells is developing with its appliance partners in Germany, France, the United Kingdom, Holland and Japan.

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Notes to Editors

2008 European Fuel Cell Forum

The 8th annual European Solid Oxide Fuel Cell Forum is taking place from 30 June to 4 July 2008 in Lucerne, Switzerland. CFCL's Chief Technology Officer Dr Karl Föger will present a paper on "**SOFC Micro-CHP - Developing Products Today**". Dr Föger's presentation is available at www.cfcl.com.au.

A technical paper by Dr Jon Love, CFCL's Team Leader – Fuel Cell Development (and colleagues) will also be published, on "**Materials Development for CFCL's Metal-Ceramic Stack**". A presentation summarising Dr Love's paper is also available on www.cfcl.com.au.

CFCL has presented papers at each year's Forum for the last seven years. More information about the European Fuel Cell Forum is at <http://www.efcf.com/>

About CFCL

Ceramic Fuel Cells Limited is a world leader in developing fuel cell technology to provide highly efficient and low-emission electricity from widely available natural gas and renewable fuels. Ceramic Fuel Cells is developing solid oxide fuel cell (SOFC) products for micro combined heat and power (m-CHP) and distributed generation units that generate electricity and heat for homes.

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

In February 2008 Ceramic Fuel Cells received a volume order for 50,000 units, with agreed targets, and began construction of a volume manufacturing plant in Heinsberg, Germany, which is on schedule for completion in June 2009. Ceramic Fuel Cells is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

www.cfcl.com.au