



CERAMIC FUEL CELLS LIMITED

Clean power for your home



Quarterly Update

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Overview

- **Q4 Operational Review**
 - Product Development
 - Manufacturing
 - Technical
- **Q4 Financial Review**
- **Industry News**
- **Video**





Product development

- **Developing micro combined heat and power (mCHP) units with leading utilities and appliance partners in five large markets**
 - Germany
 - France
 - Holland
 - UK
 - Japan
- **NetGenPlus™ units shipped to all European appliance partners**
- **CFCL engineers embedded with appliance partners**
- **NetGenPlus™ unit to be shipped to Paloma, Japan, in August 2008**
- **Designing and developing fully integrated mCHP units for homes**



Blue Chip Partners



Among the largest German utilities. Leader in DG, fuel cells. 5,800 staff, sales of €9B. www.ewe.de



Specialist boiler maker, various brands. www.bruns-heiztechnik.de



One of Europe's largest gas utilities. Sales of €27B, 13M customers in France. Entering the electricity market. www.gazdefrance.com



Leading French boiler manufacturer. Extensive distribution network. Part of the Remeha group. www.dedietrich-heating.com



Large, innovative Benelux utility, operations in Germany. 2.5M customers, sales of €5.6B. www.nuon.com



Large global boiler and heating systems manufacturer. Sells into 40 countries. 2,500 staff, sales of €540M. www.remeha.com



One of the UK's largest integrated power and gas companies, 8M customers, sales of €12B. Experience with deploying CHP units. www.eon-uk.com



UK boiler and storage vessel specialist. <http://www.gledhill.net>



Leading global gas appliance company. Based in Japan, operations in Asia, Oceania, Americas. Largest water heater manufacturer in the USA. Sales of US\$2.5B, 15,000 staff. www.palomaqlobal.com



Manufacturing

Manufacturing plant in Heinsberg, Germany

- **Commercial production of CFCL fuel cell modules**
- **Investment announced February 2008**
 - Initial capacity 10,000 2kW units per year
 - Total project cost €12.4m
 - Completion June 2009
- **Secured environmental and building permits**
- **Placed orders for the largest cost equipment**
 - Furnaces, ink skids and robotic assembly units
- **Project on time and schedule**

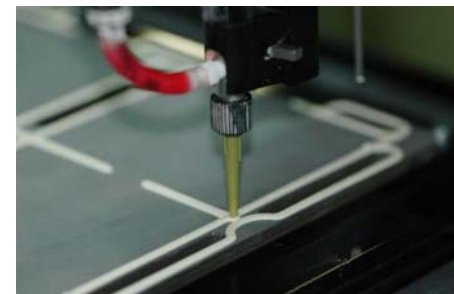
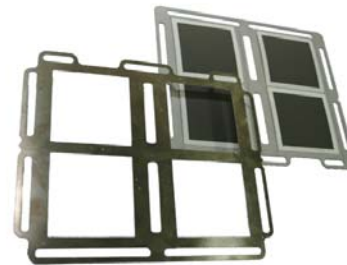




Technical

Presented at the 8th annual European Solid Oxide Fuel Cell Forum

- **50% increase in cell power density, from 350 mW/cm² in June 2007 to 500 – 650 mW/cm² in June 2008**
- **Increase in fuel cell stack lifetime**
 - Degradation reduced from 1.53% / 1000 hours in February 2008 to less than 1% / 1000 hours (1kW stack in a test station, ordinary natural gas)
- **Advances in cells, glass technology, interconnect metals, protective coatings on metals and contact technology**
- **Ongoing advances in efficiency and durability**





Q4 Financial Review

Quarter to 30 June 2008

- **Net operating cash outflow A\$4.3M (£2.1M)**
 - A\$0.6M (£0.3M) higher than Q3
- **Net operating cash outflow 1 July 2007 to 30 June 2008 A\$17.3M (£8.4M)**
- **Raised A\$14.7M (£7M) by placement to UK and EU institutions**
- **Total cash and financial assets at 30 June 2008 A\$43.3M (£21.1M)**



Industry News

- **May – July 2008, focus on the benefits of microgeneration & mCHP**
- **European Parliament endorses Fuel Cells and Hydrogen Joint Technology Initiative**
 - Accelerate the development and deployment of cost-competitive European hydrogen and fuel cell based energy systems and component technologies
 - Budget of EUR 1 billion from 2008 to 2017
 - CFCL, and its partners EWE, Gaz de France and FZ Jülich, are members of the JTI Industry Grouping
- **UK Prime Minister launches new strategy for low carbon energy**
 - Consultation on incentives for microgeneration
- **UK BERR Government report on UK Microgeneration**
 - With no new policy support: ~500,000 units by 2015, 2-3 million by 2020
 - “Immense” market for microgeneration systems
- **German Government introduces mCHP subsidy**
 - Target for CHP to be 25% of all power by 2020
 - Subsidy from September 2008, up to 1550 Euros per kW



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Video

Update Video from CFCL Noble Park

- NetGenPlus units
- Balance of Plant components

Click [here](#) or go to www.brr.com.au/cfu



All announcements are at www.cfcl.com.au

