



CERAMIC FUEL CELLS LIMITED

Clean power for your home

FY08 Review

Presented to

CFCL Annual General Meeting

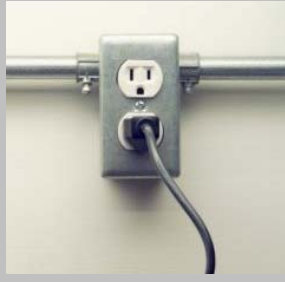
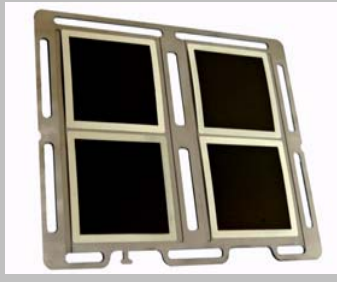
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26 November 2008

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Snapshot

- ✓ **Large global market – power for homes**
- ✓ **Large potential revenues from commercial products**
- ✓ **Highest electrical efficiency – market leader**
- ✓ **Proven technology – 3 years field trials**
- ✓ **Clear path to market**
 - ✓ **Leading utility customers and appliance partners in five large markets**
- ✓ **CFCL product can save money, reduce emissions**
- ✓ **50,000 unit volume order, with agreed targets**
- ✓ **Volume Manufacturing from 2009**

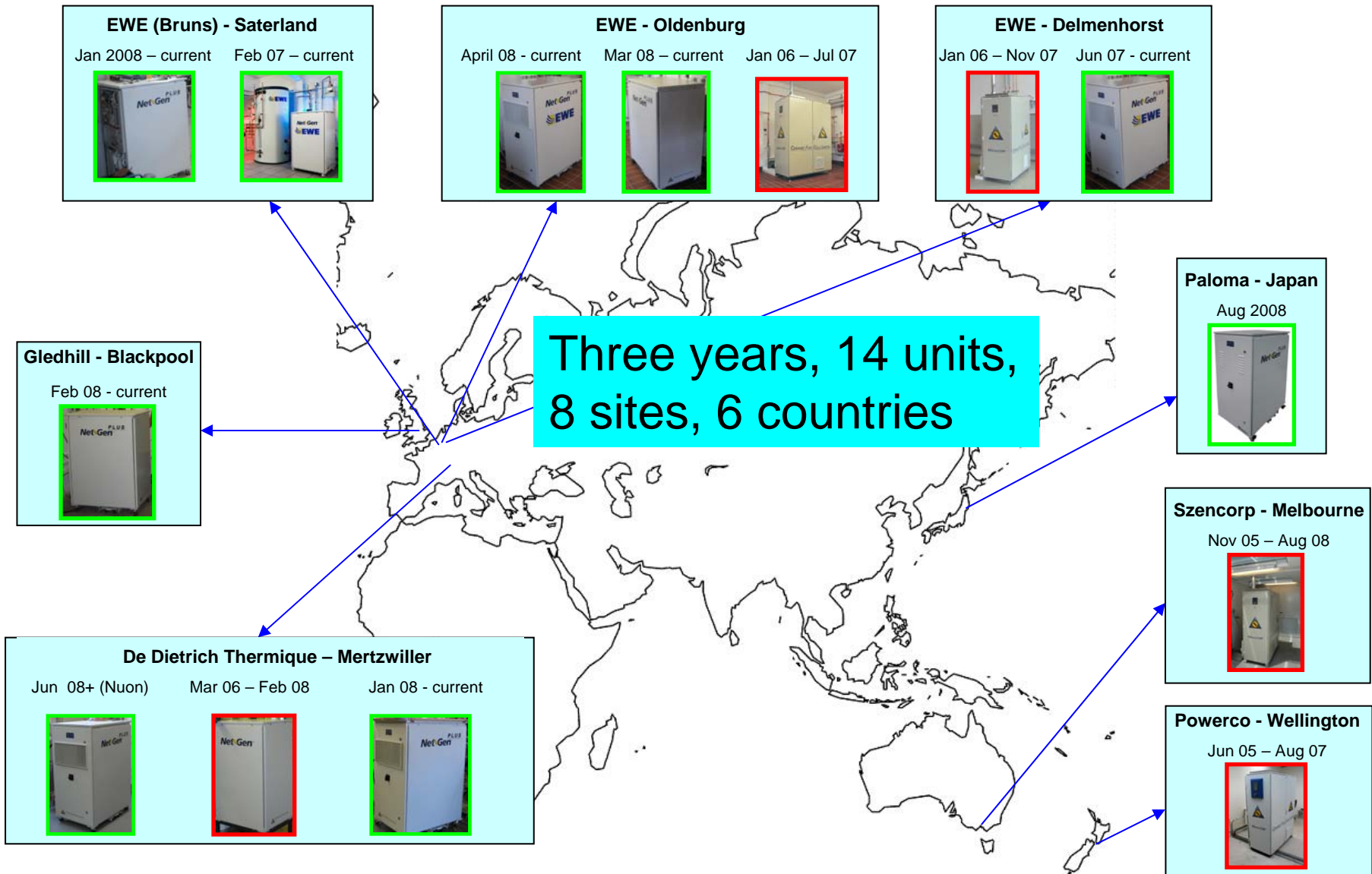


FY08 Achievements

<i>Outlook in 2007 Annual Report</i>	<i>Achievements to September 2008</i>
Advancing Product Development <ul style="list-style-type: none">•Deploy semi-integrated units•Start work on fully-integrated units	✓NetGenPlus units with all European appliance partners ✓NetGenPlus unit shipped to Japan ✓Developing fully-integrated units
Complete Australian plant upgrade	✓Completed
Start construction of German fuel cell plant	✓Capital works started February 2008 ✓Project on track for completion mid 2009
Build outsourcing and supply chain partnerships	✓Supply agreements with HC Starck and CeramTec ✓Commercial suppliers for Balance of Plant components
Commission the UK powder plant, identify opportunities for other powder applications	✓Powder plant commissioned October 2007 ✓Samples for potential customers, other opportunities ✓Supplying powder for Fuel Cell production in Australia
Optimise commercial performance <ul style="list-style-type: none">•Extend stack reliability and lifetime•Collaborate with FZ Jülich•Balance of Plant 'cost-down'	✓Longer stack lifetime ✓More powerful fuel cells ✓Ongoing collaboration with FZ Jülich ✓Significantly smaller and cheaper components
Move into promising markets in Asia	✓Agreement with Paloma for Japan, January 2008

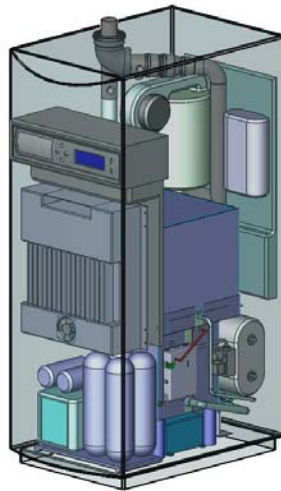


Real-world operating experience





CHP Products for Homes



Development unit
for partners



- ← Fuel cell module
- ← Boiler
- ← Tank

Integrated unit
for homes





Strong Market Settings

- **Clear policy mandate for cleaner and more secure power**
 - EU power demand 5% higher by 2020 vs 20% cut in emissions
 - Investment of **€400 – 435 billion** needed in new EU power generation by 2020 (EU Commission, 13 Nov 2008)
- **Strong policy support for micro CHP rollout**
 - UK Feed in tariff, low carbon homes, tax breaks
 - Germany Feed in tariff, unit subsidy, deployment programs
 - Japan Unit subsidy, deployment programs
- **CFCL can provide baseload power & heat with lower emissions**

Almost 40% of global utilities expect distributed generation and, especially, combined heat and power (CHP) technologies to have the greatest impact on generation and supply over the next 10 years.

PricewaterhouseCoopers

Energy and Efficiency: The Changing Power Climate, 2007 survey of global utilities



2009 Outlook

- **Develop products with utility customers and appliance partners**
 - Operate semi-integrated units at partners' facilities
 - Build fully integrated units for European customers
- **Build up manufacturing capacity**
 - Partnerships with suppliers for fuel cells and commercial balance of plant components
- **Volume fuel cell plant in Germany, operational in mid 2009**
- **UK ceramic powder plant, commercial opportunities**
- **Meeting key technical targets**
 - lifetime and durability





2009 Outlook

Build Sales Pipeline: additional partners & volume orders

Implement Product Development Agreements with existing partners

Fully integrated units
design, develop components

Fully integrated units
build & deploy early units

Heinsberg Fuel Cell Plant
Construction, Installation, Commissioning

Operation & Production

Powder – Strategic Review

Powder – marketing & sales

Scale up supply chain for Cells & BoP components: high quality, low cost

Optimise Stack reliability and lifetime to meet commercial targets

Jan 2009

Dec 2009