



CERAMIC FUEL CELLS LIMITED

Clean power for your home

Ceramic Fuel Cells

Fundraising and Interim Results



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Overview

- **Fundraising**
- **Financial Results**
- **Operational Review**
 - E.On UK deal
 - 60% Electrical Efficiency
 - Product Development projects
 - Manufacturing
- **2009 Outlook**



Fundraising

- Placing and Subscription for A\$20.1m (£9.0m) before costs
 - Placing A\$10.2m (£4.6m) with institutional investors underwritten by Nomura Code Securities
 - Subscription A\$9.9m (£4.4m) with Australian and European cornerstone investors
- Issue price of A\$0.05 / 2.2 pence
 - Discount of 12% to the 30 day VWAP up to pricing discussions with cornerstone investor
- Subject to shareholder approval, notice of meeting to be sent shortly
- Planned further offers to shareholders at the same issue price
 - Australian Rights Issue – up to A\$10m
 - UK Offer - up to approximately £2.3m
 - Full details in prospectus or offer circular to be sent to shareholders



Financial Results

- **FY09 Half Year to 31 December 2008**
- **Revenue: A\$2.4m / £1.06m**
 - FY08 Interims A\$1.8m / £0.8m
 - Field trial income up from A\$0.3m in FY08 to A\$0.9m in FY09
- **Net operating cash outflow: A\$7.3m / £3.3m**
 - FY08 Interims A\$9.1m / £4.1m
- **Net loss: A\$32.6m / £14.6m**
 - FY08 Interims A\$9.7m / £4.4m
 - Due to impairment charge of A\$27.5m / £12.3m for financial assets
 - Investments severely impacted by global financial crisis
 - Investments marked down to current selling price, A\$6.9m / £3.1m



CFCL / E.ON partnership

2008 - UK mCHP trial

- CFCL fuel cell unit *plus* a boiler = semi integrated mCHP unit
- Operated in Blackpool, UK, from June 2008 – still operational
- Met all of E.ON's performance and lifetime requirements

2009 – Product Development Contract

- CFCL fuel cell module *inside* a boiler = fully integrated mCHP product
- Commercial functionality, then size, then cost
- E.ON UK provides funding for product development, specifies UK market requirements, deploys units in stages subject to performance criteria

Commercial fuel cell mCHP Products

- Subject to agreed price and performance targets - E.ON UK minimum order of **100,000 units** from 2012-2018 to retain UK exclusivity



Highest Electrical Efficiency

- Gennex fuel cell module, as part of an integrated mCHP appliance
 - Connected to mains natural gas, exporting power to the electricity grid in Melbourne
- Achieved **60% electrical efficiency** whilst exporting 1.5kW, now up to 2kW
- No transmission or distribution losses = world's highest end user electrical efficiency of any technology using hydrocarbon fuels
- Higher electrical efficiency = lower emissions, lower running costs
- **Compelling competitive advantage**
 - Much higher than other mCHP technologies – including all other fuel cells
- Opens up new applications and markets:
 - Standalone generator?
 - Electric car charging station?





Product Development Projects

- **UK** **Utility E.On UK + appliance partner Gledhill**
 - One semi-integrated unit installed and operating
 - Fully-integrated unit stage agreed, Gennex module to be shipped Q2 2009
- **Germany** **Utility EWE + appliance partner Bruns**
 - Three semi-integrated units installed and operating
 - Discussing fully-integrated stage, Gennex module to be shipped Q2 2009
- **France** **Utility GdF/Suez + appliance partner De Dietrich Thermique**
 - One semi-integrated unit installed and operating
 - Discussing fully-integrated stage, once agreed Gennex module to be shipped Q3 2009
- **Holland** **Utility Nuon + appliance partner De Dietrich Thermique/Remeha**
 - One semi-integrated unit installed and operating, at De Dietrich Thermique
 - Project review underway
 - On 24 February 2009, Vatenfall announced takeover of Nuon
- **Japan** **Appliance partner Paloma Group (owner of Rheem and Solahart)**
 - One NetGenPlus unit installed and operating
 - Discussing next stages of Product Development



Manufacturing

- Large scale fuel cell assembly plant in Heinsberg, Germany
- At 31 Dec 08, €3.5m spent; total cost expected to be under €12.4m budget
 - Building works done – new mezzanine, new floor
 - Gas Storage facility
 - Factory Acceptance Tests for the 3 major items (Ink production, Robotic Dispensing, Furnaces)
 - Contracts awarded for HVAC, Gas control, Electrical installation
- Completion October 2009
- Initial design capacity 10,000 units per year
 - May phase capacity to defer spending
- Funding
 - NRW Government grant up to €1.3m (depending on final capex and jobs)
 - Potential project financing, equipment leasing





2009 Outlook

- **European Product Development**
 - Fully integrated mCHP units deployed
 - Further Orders
- **New Revenue Opportunities**
 - Products
 - Partners
 - Markets
- **Sales from the UK Powder plant**
- **Automated production from Heinsberg late 2009**
- **Technology meeting or exceeding commercial targets**