



1 April 2009

**Ceramic Fuel Cells Limited
("CFCL" or "the Company")**

Nuon Project Update

Ceramic Fuel Cells Limited, (AIM / ASX: CFU) a leading developer of high efficiency and low emission microgeneration products for homes, gives an update on its product development project with Nuon for the Benelux market.

The parties have completed a joint review of the project to develop micro combined heat and power (mCHP) products based on Fuel cell technology. During the project a semi-integrated mCHP unit was installed and operated. The unit comprised a CFCL NetGenPlus fuel cell unit connected to a boiler unit and was installed in September 2008.

The mCHP unit successfully met or exceeded all technical targets set by the partners, including power export, electrical efficiency, and lifetime. CFCL's fuel cell unit successfully exported electricity to the local grid, and generated heat for the boiler, from natural gas. As at 31 March the unit has been operating for 4,624 hours.

Mr Paul Hermans, New Business Development Manager for Nuon, said:
"The test with the mCHP unit met all technical targets. However, in order to keep focus in our current product development portfolio, Nuon has decided not to further pursue the development of a Fuel cell based mCHP at this moment. Accordingly the parties will not proceed with the next stage of the project or with the conditional forward order for commercial products".

CFCL continues to develop mCHP products with its partners in Germany, France, the United Kingdom and Japan.

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About Ceramic Fuel Cells Limited:

Ceramic Fuel Cells Limited is a world leader in developing solid oxide fuel cell technology to provide highly efficient and low-emission electricity from widely available natural gas and renewable fuels. The company is developing micro combined heat and power and distributed generation units that generate electricity and heat for homes. Ceramic Fuel Cells is developing products with leading appliance partners and utility customers in Germany, France, the United Kingdom and Japan. The company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).
www.cfcl.com.au