



CERAMIC FUEL CELLS LIMITED

Clean power for your home

2 February 2010

CERAMIC FUEL CELLS' CUSTOMERS TO BENEFIT FROM UK GOVERNMENT'S FEED-IN TARIFF DECISION

Ceramic Fuel Cells Limited (AIM/ASX: CFU), a leading developer of high efficiency and low emission electricity generation units for homes and other buildings, today welcomed the United Kingdom Government's decision to introduce a feed-in tariff from 1 April 2010 for small low-emission electricity generators, including small scale power and heating products.

The Government's decision to introduce a feed-in tariff – a premium rate paid for electricity fed back into the electricity grid from designated renewable and low emission electricity generation sources – will greatly assist customers who buy Ceramic Fuel Cells' gas-to-electricity units.

Under the feed-in tariff, energy retailers are required to pay homeowners 10 pence for every kilowatt hour of electricity generated by the product, plus an additional tariff of 5 pence for every kilowatt hour of electricity exported to the local power grid. The tariff lasts for ten years.

The tariff is available for micro power and heating products, like Ceramic Fuel Cells' products, that generate 2 kilowatts of power or less. The tariff is available from 1 April 2010, for the first 30,000 micro power and heating products installed, with a Government review when 12,000 units have been installed.

Ceramic Fuel Cells is developing integrated power and heating products for homes with E.ON UK, one of the largest energy companies in the UK. The first integrated units are installed at the Blackpool facilities of Gledhill, Ceramic Fuel Cells' appliance partner.

Ceramic Fuel Cells has also developed a modular power and hot water product called BlueGen that can be configured to suit a range of different markets and installations. Ceramic Fuel Cells has sold BlueGen units in Australia, Japan and Germany, with units to be available for demonstration sites and early customers in the UK from April 2010.

Both products convert natural gas into power and heat, using Ceramic Fuel Cells' world leading fuel cell technology. Each unit can generate between 12,000 and 17,000 kilowatts of power per year, more than twice the power required by the average UK home. Homeowners can offset their electricity bill and sell excess power back to the grid.

Ceramic Fuel Cells has achieved electrical efficiency of 60 percent, far higher than any other technology in the rapidly expanding market for small scale power and heating generators. When heat is recovered from the electricity production process, total efficiency is up to 85 percent – twice as efficient as the average among current European power stations.

By generating power close to where it is used, Ceramic Fuel Cells' products can meet the future demand for electricity without the need for huge investments in electricity transmission and distribution infrastructure.

Ceramic Fuel Cells Managing Director Brendan Dow said: "The UK Government's decision to offer a feed-in tariff for small low-emission electricity generators is a significant step forward for Ceramic Fuel Cells. British electricity consumers will be able to buy our fuel cell units in the knowledge that they are assisting the environment, plus offsetting their energy bills by selling power back to the grid."

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For further information please contact:

Ceramic Fuel Cells

Andrew Neilson

Tel: +61 419 950 771

Email: investor@cfcl.com.au

Nomura Code Securities (AIM Nomad)

Juliet Thompson / Chris Golden

Tel: +44 (0) 207 776 1200

UK Media enquiries

Sarah MacLeod, Hogarth Partnership

Tel: +44 7747 602 739

Australia Media enquiries

Richard Allen, Oxygen Financial Public Relations

Tel: +613 9915 6341

About Ceramic Fuel Cells Limited

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. The Company is developing micro combined heat and power and distributed generation units that generate electricity and heat for homes and other buildings. Ceramic Fuel Cells is developing products with leading appliance partners and utility customers in Germany, France, the United Kingdom and Japan. In 2009 the company launched its BlueGen gas-to-electricity product.

Ceramic Fuel Cells is headquartered in Melbourne, and has operations in the UK and Germany. In October 2009 the Company opened its fuel cell stack manufacturing plant in the Industriepark Oberbruch in the North Rhine-Westphalia region of Germany. The Company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

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