



CERAMIC FUEL CELLS LIMITED

Clean power for your home

5 August 2010

Ceramic Fuel Cells secures first USA sale

Major California utility to demonstrate BlueGen Gas-to-Electricity Generator

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 announced its first BlueGen product sale in the United States to one of the United States' largest energy companies.

Ceramic Fuel Cells will install a BlueGen gas-to-electricity generator at the energy utility's engineering center in California. The BlueGen unit is scheduled to be installed in September 2010.

Ceramic Fuel Cells' local partner, California-based Smart Hybrid Systems, Inc., will provide local installation and support services, including integrating the BlueGen unit with thermal and electrical management systems as well as metering equipment. Smart Hybrid Systems, a US energy appliance manufacturer, also plans to develop innovative hybrid fuel cell and energy storage products utilizing the Ceramic Fuel Cells solid oxide fuel cell as the core generator of electricity and heat.

About the size of a dishwasher, BlueGen is the latest breakthrough in small scale electricity generation. BlueGen uses patented fuel cell technology to convert natural gas into electricity and heat with very high efficiency. BlueGen units can generate electricity at a peak electrical efficiency of 60 percent, far higher than any other technology in the large global market for small scale electricity generation. When heat is recovered for hot water, total efficiency is up to 85 percent – twice as efficient as the current power grid.

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

Brendan Dow, Ceramic Fuel Cells' Managing Director said: "It is a great achievement for us to have made our first BlueGen sale in the United States, to one of the largest utilities in the country. Together with our existing sales in Europe, Japan and Australia, this sends a strong message about the size of the global markets that Ceramic Fuel Cells is targeting. It is exciting for us that large utilities not only in the USA but throughout the western world are investing seriously in low-emission power generation."

Since late 2009 Ceramic Fuel Cells has secured orders for 50 BlueGen units from other major utilities and foundation customers in Germany, Switzerland, The Netherlands, the United Kingdom, Japan and Australia, including E.ON Ruhrgas (the largest gas utility in Germany), the German Gas Association, and Osaka Gas (the second largest gas utility in Japan).

Ceramic Fuel Cells is also operating fully integrated power and heating products with leading energy companies E.ON UK (the second largest electricity retailer in the United Kingdom), GdF Suez (the largest gas utility in France) and EWE in Germany.

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For further information please contact:

Ceramic Fuel Cells

Andrew Neilson

Tel: +613 9554 2300

Email: investor@cfcl.com.au

Nomura Code Securities (AIM Nomad)

Juliet Thompson / Chris Golden

Tel: +44 (0) 207 776 1200

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. Ceramic Fuel Cells is developing fully integrated power and heating products with leading energy companies in France, the United Kingdom and Germany. The company has also sold BlueGen units to major utilities and other foundation customers in Germany, the United Kingdom, Switzerland, The Netherlands, Japan and Australia.

Ceramic Fuel Cells employs 100 staff in Australia and Europe and is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

www.cfcl.com.au

About Smart Hybrid Systems, Inc.

Smart Hybrid Systems, Inc is a US energy appliance manufacturer based in California developing a line of products for government, military, business and home electrical, thermal and hydrogen power generation and utilization needs. With licenses from company founders' patents in the fuel cell, battery storage, thermal management and transportation sectors, Smart Hybrid Systems offers proprietary technologies with high efficiencies, lower emissions and cost-effective life-cycle costs. The product line includes SmarThems™, SmartWatts™, SmartMiles™, SmartCHPS™ and WattsGas™ units utilizing fuel cells, batteries, thermal storage, energy management and hydrogen generation with storage and fuel blending technologies in combined heat, power and storage (CHPS) hybrid configurations to maximize efficiency while reducing costs.

SmartHybridSystems.com