

20 September 2012

Results of Rights Issue and Overseas Offer

First tranche of shares also issued to strategic supplier

Ceramic Fuel Cells Limited (AIM / ASX: CFU) announces the total amount raised in the Rights Issue, Overseas Offer and Subscription is AUD 11.6 million (GBP 7.5 million). Together with existing cash reserves this will give the company cash of approx AUD 17 million (GBP 11 million).

The Company has received AUD 4.2 million (GBP 2.7 million) in the Rights Issue made to qualifying participants within Australia and New Zealand and an additional GBP 0.9 million (AUD 1.4 million) under its Overseas Offer made to qualifying participants outside of Australia and New Zealand and certain other territories. Together with the subscription announced on 11 September by a strategic partner for new ordinary shares raising AUD 6 million (GBP 3.9 million) (the "Subscription"), the total amount raised before costs is AUD 11.6 million (GBP 7.5 million).

69,677,901 ordinary shares were subscribed for by shareholders under the Rights Issue at the issue price of six cents, raising approximately AUD 4.2 million (GBP 2.7 million). This represents approximately 30 percent take up of the Rights Issue.

23,254,556 ordinary shares were subscribed for by shareholders under the Overseas Offer at the issue price of four pence, raising an additional GBP 0.9 million (AUD 1.4 million). This represents approximately 48 percent take up of the Overseas Offer.

The total amount raised under the Rights Issue and Overseas Offer is AUD 5.6 million (GBP 3.6 million).

In addition, we are pleased to announce that our strategic supplier Chaozhou Three-Circle (Group) Co., Ltd ("**CCTC**") has received all regulatory approvals for the Subscription announced on 11 September. The Company and a wholly owned subsidiary of CCTC will now complete the agreement to raise AUD 6 million (GBP 3.9 million) by way of a subscription of 100 million new ordinary shares at an issue price of six cents per share. CCTC, based in Guangdong province, China, is a leading manufacturer of electronic components and advanced ceramics and is one of the Company's key suppliers.

Approximately 0.5 million shares (AUD 30,000) of the Subscription now requires approval from the Company's shareholders as the combined amount of shares to be issued under the Overseas Offer and the Subscription exceeds the Company's 15 percent placement capacity under the ASX Listing Rules. This is contrary to the announcement made on 11 September 2012 when it was expected that all of CCTC's shares would be issued under the 15 percent ASX Listing Rule.

The Company has received AUD 6 million in cleared funds from CCTC and has issued 99.5 million shares to a wholly owned subsidiary of CCTC. The Company is holding AUD 30,000 (GBP 19,350) in escrow for CCTC until the balance of the shares are issued, subject to approval by the Company's shareholders.

Once the balance of the CCTC investment is completed, the total amount raised before costs under all fundraising tranches is AUD 11.6 million (GBP 7.5 million).

Together with existing cash reserves this will give the Company cash of approximately AUD 17 million (GBP 11 million). Of this amount AUD 2.2 million (GBP 1.4 million) has been pledged as security and is unavailable for use by the Group.

Applications have been made for the Rights Issue Shares and Overseas Offer Shares and the first tranche of the Subscription Shares to be admitted to trading on ASX and AIM and it is expected that dealings in the

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Overseas Offer Shares on ASX and AIM will commence on 25 September 2012 and that dealings in the Rights Issue Shares on ASX and AIM will commence on 26 September 2012.

On admission of these shares, the Company will have 1,558,731,320 ordinary shares in issue.

For more information please contact:

Ceramic Fuel Cells Limited

Brendan Dow

Tel. : +61 (3) 9554 2300

Email : investor@cfcl.com.au

Nomura Code Securities (AIM Nomad)

Juliet Thompson

Tel. : +44 (0) 207 776 1200

Chris Golden

Australian media enquiries

Richard Allen

Tel. : +61 (0) 3 9915 6341

Oxygen Financial Public Relations

Email : richard@oxygenpr.com.au

UK media enquiries

Mark Way

Tel. : +44 (0) 7786 116 991

MW Research PR

Email : mark.w@harvardamerica.com

German media enquiries

Alex Seiler

Tel. : +49 (0) 69 9218 7454

Hering Schuppener Consulting

Email : aseiler@heringschuppener.com

About Ceramic Fuel Cells Limited:

Ceramic Fuel Cells is a world leader in developing fuel cell technology to generate highly efficient and low-emission electricity from widely available natural gas. Ceramic Fuel Cells has sold its BlueGen gas-to-electricity generator to major utilities and other foundation customers in Germany, the United Kingdom, Switzerland, The Netherlands, Italy, Japan, Australia, and the USA. Ceramic Fuel Cells is also developing fully integrated power and heating products with leading energy companies E.ON UK in the United Kingdom, GdF Suez in France and EWE in Germany. The company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

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