

Friday 12 September 2014

Operations Update: CFU leads marketing of fuel cell products in Europe

500 units installed and over 5 million operating hours accumulated

Ceramic Fuel Cells Limited (ASX / AIM: CFU), a leading developer of generators that use fuel cell technology to convert natural gas into electricity and heat for homes and other buildings, is pleased to announce that it has achieved an important technical and commercial milestone. On 11 September its service partner, Eneco, commissioned a BlueGEN unit in the Netherlands, representing the 500th unit in the installed and commissioned fleet of systems based on the Company's world leading SOFC technology. Earlier this month, the fleet passed the milestone of 5 million accumulated operating hours with demonstrated high levels of reliability and availability.

The unit is one of the 45 BlueGEN systems that were sold into the first stage of a virtual power plant (VPP) project on the island of Ameland, in the Netherlands. This is currently one of the largest VPP projects in Europe utilising micro-generation products based on fuel cell technology, and involves a number of project partners, including the leading Dutch gas company, GasTerra.

In the context of the developing global markets for products based on CFU's technology platform, the achievement of an installed fleet of 500 systems and 5 million accumulated operating hours is significant for the Company for the following reasons:

- According to available industry information this makes CFU the first fuel cell company outside Japan to achieve this number of mCHP installations and accumulated operating hours.
- In the Company's initial core markets in Europe, CFU is leading the commercialisation of fuel cell based mCHP in terms of number of systems installed and accumulated operating hours.
- The experience gained from the growing fleet of commercially operating systems installed at customer sites has:
 - provided an acceleration of product / technology improvements (e.g. the recently announced degradation reduction) and a clear strategy for CFU's cost reduction programmes;
 - allowed CFU to identify and address challenges of the route to market; and
 - led to improved brand recognition of Ceramic Fuels Cells and BlueGEN.
- Having marketed and sold in excess of 600 units, and deployed 500 units into many different product market combinations, the Company has gained extensive experience and insights about how to adjust its marketing and sales strategy in the emerging markets for distributed micro-generation.

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About Ceramic Fuel Cells Limited

Ceramic Fuel Cells Limited 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 Limited 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 Limited is also developing fully integrated power and heating products with leading energy companies E.ON UK in the United Kingdom 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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