



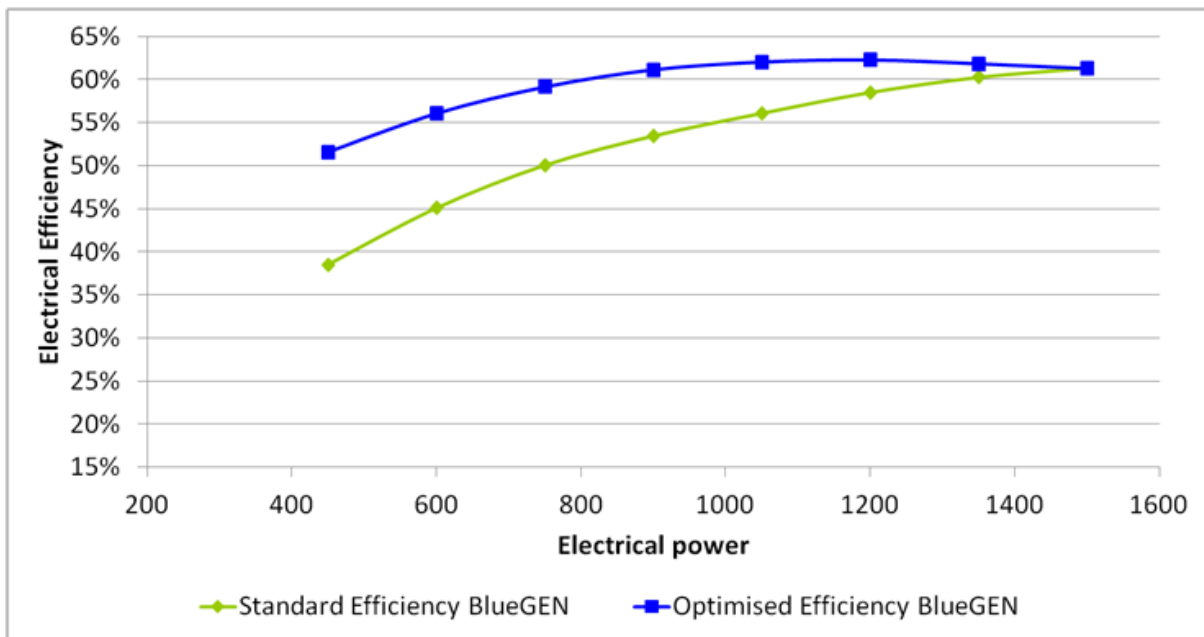
11 February 2015

Technology Update

Efficiency maintained over extreme operating range

Ceramic Fuel Cells Limited (ASX/AIM: CFU) (the “Company”), a world leader in developing and manufacturing fuel-cell-based, micro power plants, provides the following technology update:

The Company is pleased to announce that the BlueGEN product has demonstrated world leading electrical efficiencies across an extremely wide operating range. The BlueGEN product, which delivers 1.5kW at an electrical efficiency of 60% or greater, has now successfully demonstrated this ultra high efficiency over an extreme operating range as depicted in the graph below.



The green line represents the standard operating efficiency of BlueGEN, whilst the blue line represents an optimised operating regime for the same BlueGEN product. With this optimised operating regime the BlueGEN demonstrates in excess of 60% electrical efficiency from 1.5kW through to a reduced power output of nearly 0.8kW. Electrical efficiencies of greater than 50% have been demonstrated down to 0.5kW or about 30% of its power output. These results represent a paradigm shift in the expected performance of electricity generators and are, in the Company's opinion, unmatched by any other comparable product. Maintaining record breaking efficiencies over such an extreme range enables BlueGEN to be readily controlled at reduced power outputs without

detriment; making the product even more attractive for integration with renewable energy sources, such as in a Virtual Power Plant.

The optimised performance has been enabled through a change in the operating conditions that has no negative impact on the life of the product and has been made possible with the technical expertise of the development team, together with the operating experience gained from over 6 million operating hours in the field.

Mr Bob Kennett, Managing Director, said that the results of this optimised performance are an outstanding achievement and demonstrate the true potential of Solid Oxide Fuel Cell Technology. Such a performance will enable customers to operate the BlueGEN product in applications where a flexible power output is required with outstanding efficiencies over the required operating regime. This dramatically increases the commercial viability of the product across a range of applications in many potential markets. The achievement further increases the potential of CFU's SOFC technology for delivering ultra efficient products over a wide output range, including micro-generation products down to 0.5kW, to meet the individual electricity demand of different types of buildings. He said that while he was pleased with the progress being made with the technology aspects of the product, he reiterated that the Company remains intent on further improving its product. The development focus will remain on its cost reduction and product improvement programmes and if the opportunity arises, the development of further high performance, commercial products

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