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CFCL Strengthens Sales Resources in Germany

Aligns activities in Australia

Ceramic Fuel Cells Limited (AIM / ASX: CFU) a leading developer of generators which use fuel cell technology to convert natural gas into electricity and heat for homes and other buildings, announces that it is continuing to invest in measures to quickly increase sales in Germany.

We are pleased to announce that Mr Andreas Ballhausen has joined Ceramic Fuel Cells' European management team as Commercial Director. Mr Ballhausen will be responsible for leading our business development, sales and customer service activities in Germany.

Mr Ballhausen joins Ceramic Fuel Cells from leading German energy utility EWE, where he has held various senior management positions since 1996. Most recently Mr Ballhausen was in charge of establishing and running EWE's business unit selling energy services and contracting solutions for households, industry and communities.

Mr Ballhausen has extensive experience with fuel cells and micro combined heat and power products, having led EWE's project to evaluate, install and operate fuel cell products from a number of suppliers over many years. EWE was Ceramic Fuel Cells' first customer in Germany, and has been testing and operating our products since 2006. Mr Ballhausen is also a member of various committees in the energy sector, including the German Fuel Cell Initiative (IBZ).

"We are delighted that Andreas Ballhausen has chosen to join Ceramic Fuel Cells. His expertise in the field of fuel cell technology and his many years of experience in sales of CHP technologies are a tremendous asset to our Company," said Brendan Dow, Managing Director of Ceramic Fuel Cells.

"I'm looking forward to the new responsibilities at Ceramic Fuel Cells. High-efficiency micro-CHP systems can make a significant contribution to the success of renewable energy in Germany and in Europe. Ceramic Fuel Cells' BlueGen product offers an outstanding micro fuel cell power plant, and I look forward to driving our sales effort with a lot of passion," said Mr Ballhausen.

Earlier this month Ceramic Fuel Cells announced that 25 of its BlueGen gas-to-electricity units are being used to power Germany's first commercial, virtual fuel cell power plant.

The virtual power plant was officially opened on Tuesday 2 October by Mr Peter Altmaier, Germany's Federal Minister for the Environment, Mr Johannes Remmel, Minister for the Environment in the state of North Rhine-Westphalia, together with Mr Bernd Wilmert, Chairman of the Board of the municipal utility network Trianel, and Sven Becker, CEO of Trianel.

During the opening ceremony at the Eurogress congress centre in Aachen, Mr Altmaier declared that distributed electricity generation and energy efficiency, along with a coordinated expansion of renewable energies and electricity grids on a national level, are central elements of the electricity market of tomorrow: "Virtual power plant networks are progressive milestones on the way to a successful energy reform," Altmaier said.

To underline the Company's further support for its European activities we have realigned the structure of our headquarters in Noble Park Melbourne to more effectively support our European markets. The changes, along with outsourcing of cell production are expected to result in annualised ongoing cost savings of approximately AUD 5 million and a reduction in headcount since 1st July this year of 56 staff.

Brendan Dow CFCL's Managing Director said "We are quickly aligning our corporate structure and operational activities to reduce overhead costs and to focus our resources on markets where we believe we can achieve immediate and significant sales growth – Germany, the UK and the Benelux markets. In the short term we are reducing our direct sales resources in other markets, Australia, Japan and North America."

Ceramic Fuel Cells achieved solid sales growth over the last financial year. The number of BlueGen and integrated mCHP units sold increased by 177 percent, and revenue increased by 82 percent to AUD 6.7 million in FY12.

For more information please contact:

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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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