PRESS RELEASE

BlueGEN technology receives substantial state subsidy

North Rhine-Westphalia pays 45% - 65% of fundable purchase price

Heinsberg, 11 March 2013. Ceramic Fuel Cells Limited ("CFCL") (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, has been informed that the state of North Rhine-Westfalia (NRW) has started to implement its recently announced mCHP subsidy policy. Government authorities in Arnsberg/NRW have last week approved the first application for financial assistance. Depending on the size of the business applicant, the regional government of Germany's most populous state is set to promote the BlueGEN technology by subsidising each generator with between 45% and 65% of its fundable purchase price. The applicant, a local bakery, was granted an amount of 13,000 Euros for the purchase of one BlueGEN unit, which equals 65% of the fundable investment costs.

Bob Kennett, CEO of Ceramic Fuel Cells Limited, says: "The state of North Rhine-Westphalia has long been a strong supporter of our technology. We are delighted that this support has now been converted into a clear and substantial financial subsidy. The approved funding level is extremely important in supporting the ongoing marketing and distribution of BlueGEN; we expect this programme to drive a significant increase in demand for our product over the coming months and years. And lastly but most importantly, our first subsidised customer in NRW, will be able to halve his running electricity costs."

Following this first approval, BlueGEN generators are now officially part of the 250 million Euro CHP incentive programme 'progress.nrw', which is designed to accelerate the market breakthrough of highly efficient CHP systems. The CHP act aims to increase the proportion of electricity generated by CHP plants to 25 percent of the state's total production by 2020. A study mandated by the NRW Ministry for Climate Protection and carried out by three renowned German research institutes, the Bremen Energy Institute, the ISI and the IREES, calculated a total CHP potential in NRW of 75 terawatt hours per year. By 2020, NRW's government wants small and medium-sized enterprises to contribute a large part of the CHP potential.

CFCL's fuel cell technology perfectly meets the objectives of the state's government, as BlueGEN units are specifically designed for decentralized, on-site use in small and medium-sized enterprises. Providing up to 13,000 kWh a year, BlueGEN can cut running electricity costs by up to 50%. Due to high and rising electricity prices in Germany, one in four companies is considering generating electricity themselves, the latest survey of the German Chamber of Commerce says. With this new subsidy, BlueGEN units have become an attractive investment proposition for more than 600,000 small and medium-sized enterprises in NRW.

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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, 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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