



Tuesday 5 March 2013

**Ceramic Fuel Cells temporarily suspends its distribution
agreement with Sanevo**

Talks on continuation with a potential legal successor company are pending.

Build-out of European sales channels continues.

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, was informed that the Offenbach District Court has placed Sanevo, one of the company's German distribution partners, in insolvency administration as of 1 March 2013. CFCL has already fully provided for any expected losses that may arise from this action in its interim financial statements released on 27 February 2013.

Sanevo's insolvency will have no impact on CFCL's strategy or operations. The company remains focused on expanding its sales network in Europe. Over the last few weeks, it appointed as new distributors iPower in the United Kingdom and Solar Spirit in Belgium. In addition to a growing number of distribution partners in Germany and across Europe, CFCL is also accelerating the build-up of a direct sales force in North Rhine Westphalia in Germany to meet the growing demand for its BlueGEN technology. Demand is expected to be further increased by the announced capital subsidy scheme in North Rhine Westphalia.

Thanks to the increasing number of distribution partners in Europe, and to recent efforts to establish its own sales force, the company remains confident of its ability to deliver on its ambitious sales and growth targets.

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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 Limited is now focusing on markets in Germany, the United Kingdom and Benelux and is 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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