

Woodside Petroleum reduces stake in Ceramic Fuel Cells

Nigel Wilson | *May 14, 2008*

WOODSIDE Petroleum effectively conceded yesterday that it was more interested in developing LNG than any alternative energy sources, as it revealed it would not be taking up a placement in hi-tech group Ceramic Fuel Cells.

A substantial shareholder notice filed by Ceramic Fuel Cells showed that Woodside's equity in the solid oxide fuel cell developer had been reduced from 13.27 per cent to 11.1 per cent.

Ceramic Fuel Cells is developing technology to provide highly efficient and low-emission electricity from widely available natural gas and renewable fuels.

It is developing products for micro combined heat and power and distributed generation units that produce electricity and heat for homes. The company is listed on ASX and London's AIM (Alternative Investment Market).

On Monday, CFC announced it had completed a placement of shares to institutional investors in Britain and Europe which had raised \$14.7 million. The placement was of 35 million shares at 20p, or about 42c.

"These funds will provide CFC with further working capital to facilitate the company's continued commercialisation activities, including the integration of its fuel cell production with conventional condensing boiler," a stock exchange announcement said.

Woodside did not participate in CFC's share placement.

In the 1990s and the early years of this decade, Woodside invested in a number of non-conventional energy developers.

In the process, it became a cornerstone investor in Geodynamics, which operates the most advanced geothermal energy project in South Australia with Origin Energy's backing.

Woodside established Metasource as a sustainable energy company.

Its aim was that through selected investment Metasource would profitably support the development of emerging technologies and sustainable energy solutions for meeting Australia's future needs.

But over the past few years Woodside has let its percentage stake in these types of companies decline, without actually divesting shares. These days, Metasource is scarcely acknowledged in Woodside's headquarters.

The official line is that Woodside can make a bigger impact on global warming by selling LNG to North Asian markets rather than backing alternative energy.