

FuelCell Energy Awarded \$1.5 Million for Electrochemical Hydrogen Separator Research by U.S. Department of Defense

EHS System Being Developed to Separate Pure Hydrogen to Enable Green Industrial and Transportation Applications

DANBURY, Conn., Oct. 5, 2009 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of high efficiency ultra-clean power plants using renewable and other fuels for commercial, industrial, government, and utility customers, today announced that the U.S. Department of Defense's Engineer Research and Development Center - Construction Engineering Research Laboratory (ERDC-CERL) awarded it approximately \$1.5 million to continue development of its electrochemical hydrogen separator (EHS). The EHS system separates pure hydrogen from gas internally generated in a fuel cell that can be used for industrial and transportation applications.

The EHS research contributes to the development of FuelCell Energy's DFC-H2 product. The DFC-H2 integrates an EHS system with the company's high-efficiency Direct FuelCell (DFC) power plant to produce ultra-clean electricity, heat and pure hydrogen. A DFC300 combined with an EHS would produce 300 kilowatts of power, heat for combined heat and power applications, and up to 300 lbs. per day of hydrogen. If successful, this combination may produce hydrogen more economically than other methods.

"This award recognizes our expertise in electrochemical separation technology and the opportunity to further develop our fuel cell technology," said Christopher Bentley, Executive Vice President, Government Research and Development Operations for FuelCell Energy. "It also confirms the Department of Defense's continued commitment to support the development of innovative technologies."

Conventional methods of separating hydrogen rely on a complex separation step using mechanical compression. FuelCell Energy's proprietary EHS technology has no moving parts and does not use compression, potentially offering higher reliability and efficiency, resulting in the need for only half the energy compared to conventional compression methods of producing hydrogen.

FuelCell Energy's DFC stationary power plants use biofuels and fossil fuels more efficiently than the electric grid and other distributed generation their size. Their high efficiency results in low CO2 and, because they produce power without combustion, they produce near-zero nitrous oxides, sulfur oxides, and particulate matter.

The \$1.5 million ERDC-CERL program will span twenty months and will support the scale-up of the EHS technology and establish readiness for a field demonstration.

About FuelCell Energy

FuelCell Energy is the world leader in the development and production of stationary fuel cells for commercial, industrial, municipal and utility customers. FuelCell Energy's ultra-clean and high efficiency DFC(R) fuel cells are generating power at over 55 locations worldwide. The company's power plants have generated over 340 million kWh of power using a variety of fuels including renewable wastewater gas, biogas from beer and food processing, as well as natural gas and other hydrocarbon fuels. FuelCell Energy has partnerships with major power plant developers and power companies around the world. The company also receives funding from the U.S. Department of Energy and other government agencies for the development of leading edge technologies such as fuel cells. For more information please visit our website at www.fuelcellenergy.com

About ERDC-CERL

The U.S. Army Engineer Research and Development Center (ERDC) is the integrated Army Corps of Engineers' research and development organization. Seven labs located at four sites comprise ERDC: Cold Regions Research and Engineering Laboratory, Hanover, N.H.; Construction Engineering Research Laboratory (CERL), Champaign, Ill.; Coastal and Hydraulics, Environmental, Geotechnical and Structures, Information Technology Laboratories, Vicksburg, Miss.; and Topographic Engineering Center, Alexandria, Va. CERL conducts research and development in infrastructure and environmental sustainment. This research results in new technologies that help military installations provide and maintain quality training lands and facilities for soldiers and their families. Many of these products also find use in the private sector. CERL represents a

unique asset to the nation for research in civil engineering and environmental quality.

This news release contains forward-looking statements, including statements regarding the Company's plans and expectations regarding the continuing development and commercialization of its fuel cell technology. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that could cause such a difference include, without limitation, general risks associated with product development, manufacturing, changes in the utility regulatory environment, potential volatility of energy prices, rapid technological change, competition, and the Company's ability to achieve its sales plans and cost reduction targets, as well as other risks set forth in the Company's filings with the Securities and Exchange Commission. The forward-looking statements contained herein speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

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