

## FuelCell Energy Announces \$3.0 Million Award for Carbon Capture Utilizing Direct FuelCells (R)

DANBURY, Conn., Oct. 3, 2011 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of ultra-clean, efficient and reliable power plants, today announced a \$3.0 million award from the U.S. Department of Energy to evaluate the use of Direct FuelCells® (DFC®) to efficiently and cost-effectively separate carbon dioxide (CO<sub>2</sub>) from the emissions of existing coal-fired power plants. Efficient and cost-effective carbon capture can then lead to sequestration of this greenhouse gas, preventing its release into the atmosphere.

"FuelCell Energy has over 80 Direct FuelCell power plants providing ultra-clean power and usable high quality heat at more than 50 locations globally," commented Tony Leo, Vice President Applications Engineering and New Technology, FuelCell Energy, Inc. "This award enables us to further expand the use of our existing commercial technology to develop an additional application with significant market potential, namely the ability for our power plants to economically capture carbon dioxide from the emissions of conventional fossil fuel-fired power plants."

FuelCell Energy's carbonate fuel cell technology separates and concentrates CO<sub>2</sub> as a side reaction during the power generation process. DFC carbon capture research conducted by FuelCell Energy has demonstrated that DFC is a viable technology for the efficient separation of CO<sub>2</sub> from a variety of industrial facility flue gases such as cement plants and refineries. In addition to the carbon capture, the research also verified that DFC technology is capable of destroying some of the nitrogen oxide (NO<sub>x</sub>) emissions in flue gas streams, thus, reducing the cost of NO<sub>x</sub> removal equipment. This award from the DOE will advance DFC carbon capture technology further by funding research to assess the capability of DFC technology to separate the CO<sub>2</sub> within the flue gas emitted by existing coal fired power plants in a cost-effective manner.

Technologies currently in use to capture CO<sub>2</sub> from the emissions of coal fired power plants are energy-intensive with high operating costs. DFC power plants potentially represent an efficient and cost-effective approach to separating CO<sub>2</sub> while generating ultra-clean power rather than consuming power, as required by current CO<sub>2</sub> capture technologies.

This three year research project will involve system design, cost analysis, and long-term testing of a multi-kilowatt DFC stack, with funding occurring in stages upon reaching certain progress milestones. Successfully attaining the project goals of capturing at least 90 percent of the CO<sub>2</sub> from the coal-fired power plant emissions within the DOE's cost targets may lead to a demonstration project with a DFC power plant installation at an existing coal-fired power plant.

"FuelCell Energy is excited to be part of this leading edge research to reduce greenhouse gas emissions and we are honored to have been chosen for this award," continued Mr. Leo.

Efficient and cost-effective carbon capture from coal-fired power plants is a potentially large global market as coal is widely used to generate electricity. Additionally, DFC carbon capture technology can be used where onsite power generation is desired and carbon dioxide is sequestered or utilized as a commodity.

DFC power plants excel at solving energy, environmental and business problems by providing ultra clean, efficient and reliable distributed power generation solutions. Direct FuelCells combine a fuel such as natural gas or renewable biogas with oxygen from the ambient air to efficiently produce ultra-clean electricity and usable high quality heat through an electrochemical process. DFC power plants emit virtually no pollutants due to the absence of combustion.

### **About FuelCell Energy**

Direct FuelCell® power plants are generating ultra-clean, efficient and reliable power at more than 50 locations worldwide. The Company's power plants have generated over 850 million kWh of power using a variety of fuels including renewable biogas from wastewater treatment and food processing, as well as clean natural gas. With over 180 megawatts of power generation capacity installed or in backlog, FuelCell Energy is a global leader in providing ultra-clean baseload distributed generation to utilities, industrial operations, universities, municipal water treatment facilities, government installations and other clients around the world. For more information please visit our website at [www.fuelcellenergy.com](http://www.fuelcellenergy.com)

*This news release contains forward-looking statements, including statements regarding the Company's plans and expectations regarding the continuing development, commercialization and financing of its fuel cell technology and business plans. 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 regulatory environment, customer strategies, 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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