



FuelCell Energy Completes Sale of 2.4 MW Power Plant to South Korea's Leading Independent Power Producer, POSCO Power

On Commissioning, 2.4 Megawatt Installation Will Become World's Largest Fuel Cell Power Plant

DANBURY, Conn., Mar 7, 2007 (PrimeNewswire via COMTEX News Network) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of power plants using a variety of fuels, including renewable biogas, for commercial and industrial customers, today announced its Korean alliance partner, POSCO Power, has purchased a multi-megawatt power plant for installation at a site in South Korea to be announced later this month.

The two Direct FuelCell®* (DFC®*) units making up the order are slated for delivery to South Korea by the end of 2007, and are scheduled to be commissioned early in 2008. Upon installation, the 2.4 megawatt (MW) power plant will become the world's largest, surpassing, FuelCell Energy's 1.5 MW power plant at the 1,044-room Sheraton San Diego Hotel & Marina in California.

The plant will support the area's electrical grid, exporting its energy to the local utility, providing enough electricity for approximately 2,000 households. The two 1.2 MW DFC1500MA™ units, products in the mid-range of FuelCell Energy's family of environmentally friendly fuel cell power plants, will provide ultra-clean power in keeping with South Korea's commitment to the Kyoto Protocols and its own clean energy initiatives.

As a country that imports more than 90 percent of its energy needs, South Korea has actively sought to develop its energy independence. In 2006, the agency responsible for establishing South Korea's energy-related economic policy -- the Ministry of Commerce, Industry and Energy (MOCIE) -- created significant incentives to promote the use of alternative energy. Fuel cells were among the sources MOCIE most vigorously supported, creating subsidies that currently range from \$0.23 to \$0.28 per kilowatt-hour of electricity generated.

"This record-setting fuel cell installation inaugurates our new strategic alliance with FuelCell Energy on an auspicious note," said Mr. Seung-Woo Lee, President and CEO of POSCO Power Corporation. "After it is installed, we will be able to demonstrate this cutting-edge technology to potential customers, including other utility companies and independent power producers, who will represent the core of our future marketing efforts."

Last month, FuelCell Energy signed a license and distribution agreement with POSCO Power to sell DFC power plants in South Korea, and POSCO Power will eventually manufacture non-fuel cell stack equipment (the "balance of plant" portion) for plants sold around the globe. Fuel cell stack modules manufactured by FuelCell Energy in Connecticut will be shipped to customers in Asia for installation with POSCO Power balance of plants.

"South Korea has moved decisively in recent years to support alternative forms of energy generation, and the latest subsidies are stimulating the pace of adoption," said Bruce Ludemann, FuelCell Energy's Senior Vice President for Sales and Marketing. "The environmentally friendly emissions profile of DFC power plants is one concrete way for producers like POSCO Power to meet their dual goals of reducing greenhouse gas and improving air quality. With MOCIE's policies in place, South Korea is becoming one of the world's leading adopters of clean energy technology, and, working with POSCO, we intend to be a strong player there."

About POSCO

POSCO (<http://www.posco.co.kr>), founded in 1968, is Korea's largest integrated steelmaker. Headquartered in the southeastern port city of Pohang, South Korea, POSCO produced 30 million tons of crude steel products, and reported record sales of US\$21.56 billion and net income of US\$3.45 billion in 2006. As one of the world's leading steel producers, POSCO manufactures and sells a line of steel products, including hot rolled and cold rolled products, plates, wire rods, flat rolled magnetic steel sheets and strips, electrical steel sheets and stainless steel products. POSCO is also rated A3/Moody's and A-/S&P, the highest credit ratings assigned to the world's integrated steelmakers.

About POSCO Power

POSCO Power (<http://www.poscopower.co.kr>) is a wholly owned subsidiary company of POSCO since March 2006. POSCO Power's former name was Kyung In Energy Co., Ltd. which was established in 1972 as the first Korean Independent Power Producer (IPP). As the biggest IPP in Korea with more than 30 years of experience and in-depth know-how, POSCO Power is renowned as one of the most reliable power generators in Korea with a total generating capacity of 1,800 MW and plays a major role in meeting the peaking demand of Seoul Metropolitan area (geographic advantages). It has secured profitability under PPA (Power Purchase Agreement) with KEPCO (Korea Electric Power Corp.) and rated Excellent Credit Rating (AA+) and Financial Condition.

About FuelCell Energy, Inc.

FuelCell Energy develops and markets ultra-clean power plants that generate electricity with up to twice the efficiency of conventional fossil fuel plants with virtually no air pollution and reduced greenhouse gas emissions using a variety of fuels like natural gas and renewable biogas. The company's fuel cell products, ranging in size from 300 kW to 2.4 MW, are scalable for distributed generation applications 10 MW and larger while producing base load electricity giving commercial, industrial and utility customers improved power generation economics and reliability with lower emissions. Headquartered in Danbury, Conn., FuelCell Energy services over 60 power plants worldwide that have generated more than 150 million kilowatt hours. For more information on the company please go to www.fuelcellenergy.com.

This news release contains forward-looking statements, including statements regarding the Company's plans and expectations regarding the 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, the risk that commercial field trials of the Company's products will not occur when anticipated, general risks associated with product development, manufacturing, changes in the utility regulatory environment, potential volatility of energy prices, rapid technological change, and competition, 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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