



FuelCell Energy

POSCO Subsidiary Completes Purchase of Power Module and Mechanical Components From FuelCell Energy in Preparation for Asian Manufacturing

DANBURY, Conn., Aug 13, 2007 (PrimeNewswire via COMTEX News Network) --

FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of ultra-clean power plants using a variety of fuels for commercial, industrial and utility customers, today announced the sale of a 300 kilowatt (kW) fuel cell stack module and associated balance of plant components to POSCON, one of the subsidiary companies of POSCO (NYSE:PKX), and FuelCell Energy's strategic partner for the South Korean market. These components enable POSCON, a systems engineering and electronics manufacturing company, to build its first power plant to prepare for its own balance of plant (BOP) manufacturing in Asia. These components are equivalent to a complete DFC300MA(r) system and are expected to ship this fall.

Under its licensing and distribution agreement with POSCO, FuelCell Energy currently ships complete fuel cell power plants to POSCO. When its own manufacturing facility is ready, POSCO will integrate FuelCell Energy's fuel cell module with POSCO's BOP, installing and servicing the units at customer sites.

POSCO's manufacturing plant is expected to have 50 MW of capacity by the end of 2008 and 100 MW by 2010.

"This arrangement allows us to capitalize on POSCO's manufacturing capabilities and their economies of scale as we work to meet the increasing demand customers in South Korea have for highly efficient, ultra-clean power generation," said Ben Toby, Vice President of Global Business Development for FuelCell Energy. "Over time, as POSCO gains experience with our DFC systems, we expect them to emerge as a superior BOP supplier, integrator and service provider -- not just for power plants there, but potentially for other parts of the world, too."

Having ratified the Kyoto Protocols, South Korea is becoming one of the world's leading adopters of clean energy technology, and a burgeoning market for fuel cell power plants. The country's Ministry of Commerce, Industry and Energy (MOCIE) last year introduced a renewable energy subsidy program that provides substantial incentives for fuel cells -- powered by biogas and natural gas -- exceeding the funding created for wind power, biomass and hydro, and second only to solar power.

This order brings FuelCell Energy's fiscal year total to 7.8 MW from POSCO.

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 POSCON

POSCON, headquartered in Pohang, South Korea, is a system engineering and electronics manufacturing company supplying control systems, factory automation, and power electronics products for steel, non-ferrous metals, environment, power generation, energy, and transportation industries. Concentrating upon automating steel manufacturing facilities of POSCO, a world-class enterprise, POSCON has provided total system service from design and manufacturing of systems through trial run to repair and maintenance on the basis of field experience for over 25 years, and the accumulated know-how of about 900 engineers.

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 60 locations worldwide. The company's power plants have generated more than 180 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, trading companies and power companies around the world. The company also receives substantial funding from the U.S. Department of Energy and other government agencies for the development of leading edge technologies such as hybrid fuel cell/turbine generators and solid oxide fuel cells. For more information please visit our website at 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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