



FuelCell Energy Announces Closing of \$19.0 Million Registered Direct Offering of Common Stock and Warrants

DANBURY, Conn., Jan. 13, 2011 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL) a leading manufacturer of ultra-clean, efficient and reliable power plants using renewable and other fuels for commercial, industrial, government, and utility customers, today announced that it has completed its previously announced sale of 10,160,428 units at a negotiated price of \$1.87 per unit, with each unit consisting of (i) one share of its common stock, par value \$0.0001 per share ("Common Stock") and (ii) one warrant to purchase 1.0 share of Common Stock, in a registered direct offering for gross proceeds of \$19.0 million. Total net proceeds to the Company were approximately \$17.8 million. The Company intends to use the proceeds from this offering for product development, project financing, expansion of manufacturing capacity, and general corporate purposes.

The warrants have an exercise price of \$2.29 per share and are exercisable beginning on the date that is six months and one day after the closing date and will expire twenty one months after issuance. In connection with the offering, FuelCell Energy has obtained the right, subject to certain conditions, to require the investor to purchase up to 10.0 million additional shares approximately nine months after the initial closing date of the transaction. The sale price for the additional shares will be based on a fixed ten percent discount to a volume weighted average price (VWAP) measurement at the time FuelCell Energy exercises the option. FuelCell Energy cannot require the investor to purchase more than \$20 million of additional shares.

Lazard Capital Markets LLC served as the sole placement agent for the offering.

A shelf registration statement relating to these securities was previously filed and declared effective by the Securities and Exchange Commission. The securities may be offered only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. A final prospectus supplement related to the offering has been filed with the Securities and Exchange Commission and is available on the SEC's web site at <http://www.sec.gov>. Copies of the base prospectus, the preliminary prospectus supplement and the final prospectus supplement relating to this offering can be obtained at the Securities and Exchange Commission's website <http://www.sec.gov> or from Lazard Capital Markets LLC, 30 Rockefeller Plaza, 60th Floor, New York, NY 10020 or via telephone at (800) 542-0970.

About FuelCell Energy

DFC® fuel cells are generating power at over 50 locations worldwide. The Company's power plants have generated over 650 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

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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CONTACT: FuelCell Energy, Inc.

Kurt Goddard, Vice President Investor Relations

203-830-7494

kgoddard@fce.com