

FuelCell Energy Announces \$1.0 Million Phase II Award for Hydrogen Separation and Compression Technology Research

DANBURY, Conn., Oct. 6, 2011 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of ultra-clean, efficient and reliable power plants, today announced that the U.S. Department of Energy (DOE) awarded approximately \$1.0 million to FuelCell Energy, Inc. to further develop and demonstrate a highly efficient and reliable method for simultaneously separating and compressing hydrogen for multiple applications utilizing its solid-state electrochemical hydrogen separation and compression (EHSC) technology. Combining both separation and compression simplifies the process of hydrogen production and reduces energy consumption, leading to lower cost hydrogen production. The EHSC technology expands the hydrogen production capability of FuelCell Energy's Direct FuelCell® (DFC®) power plants making them suitable for applications that use hydrogen including industrial uses and vehicle fueling applications, while simultaneously providing ultra-clean on-site power.

"We have already demonstrated hydrogen production from a DFC power plant operating on renewable biogas and using conventional hydrogen separation and compression technology," said Tony Leo, Vice President Applications Engineering and New Technology, FuelCell Energy, Inc. "This program will develop and demonstrate our technology to use electrochemical processes to separate and compress the hydrogen which is produced as a byproduct of power production in our DFC power plants. Replacing conventional mechanical processes with our EHSC electrochemical process for hydrogen separation and compression is expected to increase system efficiency and reduce operating costs by about 50 percent compared to existing technology."

DFC power plants generate three value streams including ultra-clean electricity, high quality heat, and hydrogen suitable for vehicle fueling or industrial uses. DFC plants can be sited at the point of use for the hydrogen and the ultra-clean electricity and heat used on-site or the electricity can be supplied to the electric grid. The benefit of the EHSC technology is the ability to separate and compress the hydrogen produced by the fuel cell for on-site storage and use at a later time. DFC plants produce ultra-clean power in a highly efficient and continuous manner using a non-combustion electrochemical process. Due to the absence of combustion, virtually no pollutants are emitted.

This award funds a two year project to develop scalable and durable EHSC capability that can operate on a variety of fuel inputs including natural gas or renewable biogas. The compression target for this program is 300 psig (pounds-force per square inch gauge). Integrating the EHSC technology with FuelCell Energy's existing fuel cell technology targets the production and compression of hydrogen at pressures of 3,000 to 12,000 psig. The ability to efficiently and cost effectively produce and compress large volumes of hydrogen to 3,000 psig is attractive to industrial users that currently use multi-stage mechanical compressors and compression to 12,000 psig targets hydrogen vehicle fueling.

The DOE Fuel Cell Technologies Program fosters the development and enhancement of technologies to expand the market for hydrogen and fuel cell technologies for both transportation and stationary power generation. Hydrogen is generally produced at a location different from where it is used, resulting in the need for transportation and storage. High compression storage is an important component for expanding the use of hydrogen, particularly for vehicle fueling.

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

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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