



FuelCell Energy

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FuelCell Energy Receives \$4 Million Loan from the State of Connecticut

Money to be used for plant expansion, workforce expansion and extension of facility lease

DANBURY, Conn., Jan. 16, 2008 -- FuelCell Energy, Inc. (NasdaqNM: FCEL), a leading manufacturer of high efficiency, ultra-clean power plants for commercial, industrial, municipal and utility customers, today announced that it has received a \$4 million loan from the state of Connecticut. The loan is part of the company's \$10 million project to expand FuelCell Energy's Torrington, Connecticut manufacturing facility, expand its workforce and extend its facility lease through 2015.

"This project is right for Connecticut, right for our economy and right for our energy needs," Governor Jodi Rell said. "We will be adding 100 jobs to our economy, bolstering a Connecticut company that is making strides to decrease our dependence on foreign fossil fuels and enhancing our position in an important industry. Connecticut is a pioneer in fuel cell technology and this project will help ensure we continue to be a leading innovator in this high-tech sector."

The Department of Economic and Community Development and the Connecticut Development Authority are providing a joint loan for machinery and equipment, building improvements and information technology expenses. The \$4 million loan is being granted pursuant to Governor Rell's *Connecticut Energy Vision for a Cleaner, Greener State* which calls for 20 percent of all energy used and sold in the state to come from clean or renewable resources by 2020.

"Companies like FuelCell Energy help us achieve this goal."

DFC power plants generate power electrochemically, not through combustion, so they produce near-zero nitrous oxides (NO_x), sulfur oxides (SO_x) and particulate emissions. DFC fuel cells are 47 percent efficient compared to similar sized fossil fuel combustion plants, which typically reach only 30-35 percent efficiency, delivering more power for each unit of fuel used and producing substantially less carbon dioxide. When used in Combined Heat and Power applications, in which the fuel cell's heat byproduct is used to produce additional clean energy, DFC power plants can achieve efficiencies of up to 80 percent.

"We thank Governor Rell, the State of Connecticut, the Department of Economic and Community Development and the Connecticut Development Authority for their support," said R. Daniel Brdar, Chairman and CEO of FuelCell Energy. "Our fuel cells – which are highly efficient, operate 24/7 and produce near-zero pollutants and low CO₂ – can help the state reach its clean and renewable goals for power generation."

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About FuelCell Energy Inc.

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[®] fuel cells are generating power at over 40 locations worldwide. The company's power plants have generated more than 200 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 US 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 continuing 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, general risks associated with product development, manufacturing, changes in the utility regulatory environment, 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.

CONTACT:

FuelCell Energy, Inc.
Lisa Lettieri
203-830-7494
ir@fce.com

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