



FuelCell Energy

FOR IMMEDIATE RELEASE

FuelCell Energy Sells 4.8 Megawatts of Ultra-Clean Power Plants to South Korea's Leading Power Producer

Two DFC3000 power plants bring POSCO Power total to 12.6 MW since March 2007

DANBURY, Conn. -- Dec. 11, 2007 -- FuelCell Energy, Inc. (NasdaqNM:FCEL), a leading manufacturer of high efficiency, ultra-clean power plants for commercial, industrial and utility customers, today announced the sale of 4.8 megawatts (MW) of its Direct FuelCell® (DFC®) to its alliance partner in South Korea, POSCO Power, a unit of one of the world's largest industrial companies, POSCO (NYSE: PKK). Under the order, POSCO Power is purchasing two DFC3000 power plants. These two units will be sold to two independent power purchasers (IPPs), and are slated for delivery and installation in 2009. This order brings POSCO Power's total orders to 12.6 MW since March 2007.

"FuelCell Energy's reliable, ultra-clean fuel cells will enable us to make a meaningful reduction in greenhouse gases over time," said Mr. Seung-Woo Lee, President and CEO of POSCO Power Corporation. "We believe that DFC power plants, with their 24/7 operation, near-zero emissions and low carbon output, are an excellent choice for multi-MW, high-efficiency power."

FuelCell Energy power plants are 47 percent efficient compared to similar sized fossil-fuel combustion power plants that operate at 30 to 35 percent efficiency. This means that these ultra-clean DFC power plants deliver more power for each unit of fuel used, saving customers on their power costs and substantially reducing their CO2 emissions.

"South Korea has made fuel cells one of its top ten economic drivers," said Benjamin Toby, Vice President of Global Business Development for FuelCell Energy. "POSCO's interest in our DFC products continues to grow as a means of generation because we are the only company in the world with MW-class fuel cell power plants that can reliably deliver ultra-clean power, 24 hours a day, seven days a week."

The DFC3000™ units will export power to the local grid, as required under South Korea's incentive program, initiated by the Ministry of Commerce, Industry and Energy (MOCIE) to stimulate the deployment of new and renewable energy sources. MOCIE has been a strong proponent of Korean energy independence. In 2006, it modified the renewable energy subsidy program under which fuel cells powered by biogas and natural gas received subsidies in excess of the amounts allocated to wind power, biomass, and hydro, and second only to solar power. For fuel cells running on natural gas, the current subsidy is \$0.28/kilowatt hour (kWh) and \$0.23/kWh for those running on biogas.

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Earlier this year, FuelCell Energy established a 10-year manufacturing and distribution agreement with POSCO Power to provide DFC power plants in South Korea. POSCO has since broken ground on a 100 MW manufacturing facility for building reduced-cost, fuel cell balance of plant equipment (all but the core-technology fuel cell part of the power plant) for FuelCell Energy power plants its sells in Asia.

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 50 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, 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, 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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