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FuelCell Energy Announces Strengthening of Strategic Relationship With POSCO Energy Supporting Global Market Development and Product Cost Reductions

- *Collaboration on development of global customer opportunities*
- *Integrated global supply chain agreement enhances reliability of supply and supports product cost reductions*
- *FuelCell Energy sells 5.6 megawatts of fuel cell modules to POSCO Energy to meet growing Asian demand*

DANBURY, Conn., May 13, 2014 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a global leader in the design, manufacture, operation and service of ultra-clean, efficient and reliable fuel cell power plants, announced further steps to accommodate the increasing global demand for megawatt-class stationary fuel cell power plants, ensuring preeminent customer support around the world as well as enhanced execution of product cost reductions. FuelCell Energy and POSCO Energy are collaborating to support multi-national customers expressing interest in fuel cell projects in the other partner's territory, are further synchronizing the integrated global supply chain, and executing the sale of four fuel cell modules, totaling 5.6 megawatts to meet rising demand in Asia.

"Even closer collaboration between POSCO Energy and FuelCell Energy ensures that our respective customers receive the enhanced value and security for their investment as we reduce costs and further enhance the overall competitiveness of clean distributed fuel cell power generation," said Jung-Gon Kim, Senior Vice President of POSCO Energy.

Increasing interest in stationary fuel cell applications in different geographic regions from companies with global operations has led to the broadening of activities between FuelCell Energy and POSCO Energy. Enhanced collaboration accommodates North American, European or other non-Asian customers of FuelCell Energy that are interested in a fuel cell installation in Asia as well as Asian customers of POSCO Energy that desire a fuel cell installation outside of Asia. With growing global adoption of Direct FuelCell® power plants, trends to larger-sized fuel cell parks, and cross-territorial interest from multi-national customers, FuelCell Energy and POSCO Energy can support global customers in each other's local market to ensure consistency of communication, quality and execution.

The construction of the POSCO Energy cell manufacturing facility is on schedule with production expected in mid-2015. Once operational, this facility will double the global manufacturing capacity of FuelCell Energy's proprietary power plants.

The integrated global supply chain agreement reaffirms the global supply chain alignment, which is critical for expected product cost reductions. Decreasing product costs supports further market adoption as well as margin expansion. The combined purchasing volume of both organizations results in both partners benefitting from purchases by each other through lower product costs. By leveraging the existing supply advantages of both companies, including POSCO's steel manufacturing capabilities and mining operations, FuelCell Energy will realize enhanced security of supply and increasing production volumes in any one region benefits both partners with lower product costs globally.

"The relationship we have with POSCO Energy is a differentiator in the fuel cell industry as we work together to continue to grow the market while further driving down product costs and improving project financial returns," said Chip Bottone, President and CEO of FuelCell Energy. "As a leading global steel manufacturer, POSCO's investment in market development, manufacturing capacity, and partial ownership in FuelCell Energy are additional points of validation for our affordable, ultra-clean, and secure power generation solutions while manufacturing in more than one location mitigates risk for the customer base."

During the second quarter of 2014, FuelCell Energy sold four fuel cell modules totaling 5.6 megawatts to POSCO Energy. These modules are in addition to the monthly fuel cell kit shipments under an existing 122 megawatt order. This second quarter 2014 5.6 megawatt module purchase, as well as the previously announced first quarter 2014 2.8 megawatt module purchase, will both support new installations that POSCO is completing this calendar year for its customers in Korea.

"The timing of these module orders supports specific projects in Asia as the ability to construct multi-megawatt fuel cell parks in short time frames of about a year is a differentiator in the power generation market and the short construction period helps to minimize capital costs," continued Mr. Bottone. "The ability to rapidly construct a fuel cell park of ten to sixty megawatts enables utilities to add clean baseload power where they need it within their service territory while avoiding the cost and permitting challenges of transmission lines."

POSCO Energy is a wholly owned subsidiary of POSCO, a leading global steel producer headquartered in Pohang, South Korea. POSCO Energy is an independent power producer with power generation assets in South Korea that provide power to

POSCO and to the electric grid. POSCO Energy owns more than 3,000 megawatts of power generation including generation assets in Southeast Asian countries including Indonesia and Vietnam, as well as a solar park in Nevada, USA. POSCO Energy 2013 sales totaled $2.8 billion supported by total capital of $1.5 billion. The parent, POSCO, is publicly traded on the Korean Stock Exchange under the symbol 005490 and on the New York Stock Exchange under the symbol PKX.

Multi-megawatt fuel cell parks solve power generation challenges for utilities as the combination of near-zero pollutants, modest land-use needs, and the quiet operating nature of fuel cell power plants facilitates their siting in urban locations. Fuel cell parks offer a multitude of advantages for utilities and neighboring communities, including:

- Environmentally friendly power generation with virtually zero nitrogen oxide (NO_x) that causes smog, sulfur dioxide (SO_x) that contributes to acid rain, or particulate matter (PM^{10}) that aggravates asthma, and the power is delivered with a low carbon footprint
- Distributed power generation places power near where it is used, enhancing the resiliency of the grid
- Highly efficient power generation process that is economical
- Continuous renewable power around the clock that is not reliant on weather or time of day

DFC® power plants utilize carbonate fuel cell technology, which is well suited for megawatt-class applications due to the scalability and favorable cost profile. Another advantage is that carbonate cells operate efficiently without the need for noble metal catalysts, such as platinum, which are required by some other types of fuel cell technology.

About FuelCell Energy

Direct FuelCell® power plants are generating ultra-clean, efficient and reliable power at more than 50 locations worldwide. With more than 300 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 customers around the world. The Company's power plants have generated more than two billion kilowatt hours of ultra-clean power using a variety of fuels including renewable biogas from wastewater treatment and food processing, as well as clean natural gas. For more information, please visit www.fuelcellenergy.com

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