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FuelCell Energy Commences Expansion of North American Manufacturing Facility

Closes on \$30 Million Assistance Agreement With the State of Connecticut

DANBURY, Conn., Nov. 19, 2015 (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 the commencement of the previously disclosed North American manufacturing facility expansion, and closing on an Assistance Agreement with the Connecticut Department of Economic and Community Development. A groundbreaking ceremony was held earlier today to highlight the expansion project, which will increase the size of the facility by approximately 102,000 square feet to approximately 167,000 square feet in total. The project will enhance and streamline logistics functions and manufacturing processes and prepare for subsequent manufacturing capacity expansion.

"We are proud that FuelCell Energy is continuing to grow its presence in Connecticut, particularly because it is a company that is nurturing and creating the type of cutting edge, innovative jobs that are leading the 21st century economy, all while helping to advance our environmental goals. These are the advanced technologies that are helping our state, our nation, and our world reduce its carbon pollution, and truly helping make a positive impact," said Governor Malloy.

The expansion is being undertaken in two phases with the first stage increasing the size of the manufacturing facility and the second stage increasing annual manufacturing capacity from the current 100 megawatts to at least 200 megawatts. The State of Connecticut has extended a financial package through the Department of Economic and Community Development for both stages, including \$20 million of low interest long-term loans and up to \$10 million of tax credits, predicated on certain terms and conditions, including the forgiveness of up to 50 percent of the loan principal if certain job retention and job creation targets are reached. The State has advanced \$10 million to date under the Phase 1 loan agreement. Principal payments are deferred for four years and interest is payable monthly at a fixed rate of 2.0 percent. The loan is secured by certain equipment and facilities of the Company.

Initially, the added space will be used to enhance and streamline logistics functions and provide the space needed to reconfigure the existing production process to improve manufacturing efficiencies and realize cost savings. As demand supports, manufacturing equipment will be added to increase annual capacity. Additionally, plans for the second stage include the installation of a megawatt scale tri-generation fuel cell plant to power and heat the facility as well as provide hydrogen for the manufacturing process of the fuel cell components, and the creation of advanced technology testing and prototype manufacturing. Under the first phase of the expansion, the Company expects to add 165 positions to its existing workforce of over 500 employees. In phase two, the Company would add another 160 positions.

"We are experiencing increasing interest in our affordable and highly efficient on-site power generation solutions and this phased expansion is positioning us for further growth," Chip Bottone, Chief Executive Officer, FuelCell Energy, Inc. said. "We value the highly talented and motivated work force available in Connecticut and the close coordination between government, industry and the university system to align for economic growth and business success."

FuelCell Energy designs, manufacturers, installs and services highly efficient and environmentally friendly power generation with easy-to-site stationary fuel cell power plants. These clean and affordable power generation solutions provide megawatt-class scalable on-site power and utility grid support, helping customers solve their energy, environmental and business challenges. The power plants are located in populated areas as they are virtually pollutant free, operate quietly and without vibrations, and have only modest space requirements. Locating the power generation near the point of use provides many advantages, including less reliance or even avoidance of the transmission grid, leading to enhanced energy security and power reliability. Deployments range in size from 1.4 megawatt university and hospital campus installations to 60+ megawatt utility scale fuel cell parks. Multi-megawatt fuel cell parks under development for grid support combined with the potential for multi-megawatt fuel cell parks located at existing coal and gas fired power plants for carbon capture are factors in the planning for manufacturing capacity expansion.

FuelCell Energy global headquarters are in Danbury, Connecticut with North American manufacturing in Torrington, Connecticut. European markets are served from a facility in Germany and supported by the Torrington manufacturing facility. Asian markets are served through a partnership with the largest independent power producer in South Korea, POSCO Energy. Research and development labs are located in Danbury as well as research facilities in Colorado and Canada.

Fuel cells electrochemically convert a fuel source into electricity and heat in a highly efficient process that emits virtually no pollutants due to the absence of combustion. The Direct FuelCell[®] (DFC[®]) stationary fuel cell power plants manufactured by

FuelCell Energy utilize carbonate fuel cell technology and provide continuous power located where the power is used, including both on-site applications and electric grid support. The power plants are fuel flexible, capable of operating on natural gas, on-site renewable biogas, or directed biogas.

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 over four 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 additional information, please visit www.fuelcellenergy.com, follow us [on Twitter](#) and view our videos [on YouTube](#).

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Contact:

FuelCell Energy, Inc.

Kurt Goddard, Vice President Investor Relations

203-830-7494

ir@fce.com