FuelCell Energy Announces Cooperation With Fraunhofer IKTS to Develop the European Market for Stationary Fuel Cell Power Plants

The Cooperation Will Target Opportunities in Europe for Ultra-Clean Baseload Power From Stationary Fuel Cell Power Plants Using Clean Natural Gas and Renewable Biogas

DANBURY, Conn., Feb. 22, 2012 (GLOBE NEWSWIRE) -- FuelCell Energy, Inc. (Nasdaq:FCEL), a leading manufacturer of ultra-clean, efficient and reliable fuel cell power plants, today announced a memorandum of understanding to form a German-based joint venture with Fraunhofer IKTS (Institute for Ceramic Technologies and Systems) to develop the market in Europe for Direct FuelCell® (DFC®) stationary power plants. Additionally, Fraunhofer IKTS will contribute certain assets and their expertise in fuel cells and materials science to the joint venture.

"Germany needs clean baseload distributed power generation and FuelCell Energy has market leading solutions so it is a very good fit for Fraunhofer to work with FuelCell Energy," said Prof. Dr. Alexander Michaelis, director, Fraunhofer IKTS. "The Fraunhofer IKTS team looks forward to applying our materials science and fuel cell expertise to help develop a broader range of applications and markets for FuelCell Energy products and technology."

The joint venture will target the European market for baseload distributed generation from a location in Germany to address the trend towards clean and renewable decentralized power generation. The attributes of stationary fuel cell power plants can help European countries diversify their power generation portfolio and reach sustainability goals as they provide continuous ultra-clean power in a highly efficient process at the point of use. The power generation portfolio of many European countries includes intermittent renewable power generation. Continuous baseload power from stationary fuel cell plants will help balance this intermittency.

"Fraunhofer IKTS brings world-renowned applied research expertise and a vast network of relationships that will help to develop and grow a stationary fuel cell market in Germany, which will then provide a platform for expansion throughout Europe," said Chip Bottone, President and Chief Executive Officer for FuelCell Energy, Inc. "We expect that the combination of complementary knowledge and skill sets of fuel cell technology between our respective organizations is going to be very powerful for further enhancing the performance of Direct FuelCell power plants."

"Strong partners like German-based Fraunhofer IKTS and our recent partnership announcement with Spanish-based Abengoa are helping us execute our European strategy to penetrate and rapidly grow stationary fuel cell installations in Europe," continued Mr. Bottone. "We have an active pipeline of approximately 45 megawatts in Europe developed in just the past year with limited local presence to date, illustrating the strong market potential."

FuelCell Energy will lead market development and servicing efforts for Direct FuelCell power plants as well as support for existing carbonate fuel cell power plants already operating in Europe. Fraunhofer IKTS will contribute research & development resources for enhancing DFC technology and use local knowledge and relationships to assist in market development. FuelCell Energy has established a legal entity in Germany for the joint venture and will retain majority ownership.

There are a number of existing incentives in Europe for stationary fuel cell power plants operating on either clean natural gas or renewable biogas. In Germany for example, a feed-in tariff is promoting adoption of combined heat and power (CHP) power generation as the German government is targeting 25 percent of electricity generation to include CHP by 2020, up from the current level of 15 percent. Additional incentives are available that are specific to fuel cell power generation.

DFC power plants generate electricity and usable high quality heat with an electrochemical reaction that emits virtually no pollutants. Avoiding the emission of NOx, SOx and particulate matter supports clean air regulations and benefits public health. The high efficiency of the fuel cell power generation process reduces fuel costs and carbon emissions, and producing both electricity and heat from the same unit of fuel drives economics while simultaneously promoting sustainability. Fuel cells can achieve up to 90 percent efficiency when configured to use the high quality heat generated by the power plant in a combined heat & power (CHP) mode.

Ultra-clean, efficient and reliable DFC plants can help solve the power generation challenges facing European countries. For example, Germany is targeting a 40 percent reduction in carbon emissions, doubling power generation from renewable sources to 35 percent, and aiming to eliminate nuclear power generation by 2022, which accounts for approximately one quarter of existing power generation. DFC power plants are fuel flexible, capable of operating on clean natural gas or renewable...
biogas. Germany, for example, has an extensive natural gas distribution network, supporting on-site power markets as well as utility grid support.

Founded in 1949, Fraunhofer is Europe’s largest application-oriented research organization with an annual research budget of €1.8 billion (approximately $2.3 billion) and more than 18,000 staff, primarily scientists and engineers. Fraunhofer has research centers and representative offices in Europe, USA, Asia and the Middle East, and more than 80 research units, including 60 Fraunhofer Institutes, at different locations in Germany. The Fraunhofer IKTS with its staff of 400 highly educated engineers, scientists and technicians is a world leading institute in the field of advanced ceramics for high tech applications. The primary markets for IKTS include energy and environmental technology with a focus on fuel cell development and commercialization.

Website: [www.ikts.fraunhofer.de/en](http://www.ikts.fraunhofer.de/en)

The Fraunhofer IKTS logo is available at [http://www.globenewswire.com/newsroom/prs/?pkgid=11748](http://www.globenewswire.com/newsroom/prs/?pkgid=11748)

**About FuelCell Energy**

Direct FuelCell® power plants are generating ultra-clean, efficient and reliable power at more than 50 locations worldwide. 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 customers around the world. The Company’s power plants have generated more than one 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 our website at [www.fuelcellenergy.com](http://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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