

Form 51-102F3
Material Change Report

CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

FuelCell Energy, Ltd.
4300 Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5

Item 2 Date of Material Change

October 29, 2004 and November 1, 2004.

Item 3 News Release

A press release was issued by CNN Mathews on November 2, 2004.

Item 4 Summary of Material Change

All of the issued and outstanding exchangeable shares of FuelCell Energy, Ltd. were redeemed in exchange for shares of FuelCell Energy, Inc. common stock on a one-for-one basis.

FuelCell Energy, Inc. completed the sale of the assets of FuelCell Energy, Ltd., its Canadian solid oxide fuel cell operations to Versa Power Systems (Versa). In exchange, FuelCell Energy, Inc. received stock in Versa, increasing its ownership position in Versa from 16 percent to 42 percent.

Item 5 Full Description of Material Change

Please refer to the press release attached as Appendix A.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Joseph Mahler, Secretary - (203) 825-6047.

Item 9 Date of Report

November 3, 2004.



Investor and Media Contact:
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FOR IMMEDIATE RELEASE

**FUELCELL ENERGY, VERSA POWER SYSTEMS
COMPLETE ASSET PURCHASE AGREEMENT**

Danbury, Conn., November 2, 2004 -- FuelCell Energy, Inc. (NasdaqNM:FCEL), a leading manufacturer of large stationary fuel cell power plants for commercial and industrial customers, announced today that it has consummated its previously announced sale of its Canadian solid oxide fuel cell operations to Versa Power Systems (Versa). In exchange, FuelCell Energy received stock in Versa, increasing its ownership position in Versa from 16 percent to 42 percent.

On October 29, 2004, all of the approximately 2 million issued and outstanding exchangeable shares of FuelCell Energy, Ltd. were redeemed in exchange for shares of FuelCell Energy, Inc. common stock on a one-for-one basis. This has no impact on the total number of outstanding shares of FuelCell Energy's common stock.

About FuelCell Energy, Inc.

FuelCell Energy, Inc., based in Danbury, Connecticut, is a world leader in the development and manufacture of high temperature hydrogen fuel cells for clean electric power generation. The Company has developed commercial distribution alliances for its carbonate Direct FuelCell products with MTU CFC Solutions, GmbH, a subsidiary of DaimlerChrysler, in Europe; Marubeni Corporation in Asia; Enbridge Inc. in Canada; Caterpillar, PPL Energy Plus, Chevron Energy Solutions, Alliance Power and LOGANEnergy in the U.S. FuelCell Energy developed its patented Direct FuelCell technology for stationary power plants with the U.S. Department of Energy through its Office of Fossil Energy's National Energy

Technology Laboratory. The sub-megawatt fuel cell power plant is a collaborative effort using Direct FuelCell® technology of FuelCell Energy and the Hot Module® balance of plant design of MTU CFC Solutions.

FuelCell Energy is developing next generation high temperature fuel cell products, such as a diesel fueled marine Ship Service Fuel Cell, a combined-cycle DFC/ Turbine® power plant and solid oxide fuel cells for initial applications up to 100 kilowatts. More information is available at <http://www.fuelcellenergy.com>.

This news release contains forward-looking statements, including statements regarding the Company's plans and expectations regarding the 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, and competition, 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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