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Capstone's Australian Distributor Optimal Signs a 10-year Factory Protection Plan (FPP) Service Contract with Oil & Gas Producer Santos Fuel

VAN NUYS, CA / ACCESSWIRE / December 9, 2020 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that Optimal Group Australia (www.optimalgroup.com.au), Capstone's exclusive Australian distributor, recently signed a 1 Megawatt (MW) 10-Year Factory Protection Plan (FPP) service contract. The FPP is for an innovative energy project for Santos Limited, one of Australia's largest independent oil and gas producers in the Asia-Pacific region, which is a leading supplier of energy needs across Australia and Asia.

The project, which Optimal commissioned in January 2020, uses a stand-alone C1000S one-megawatt microturbine system to power one of the Santos remote oil production facilities. The microturbine is fueled by on-site natural gas and replaces their aging reciprocating engine-based power system at their Tarbat Oil Production Facility in Southwest Queensland.

Natural Gas Fired Capstone Off-Grid C1000 Signature Series Remote Installation

The integrated system also incorporates solar photovoltaic (PV) and is operated as a Microgrid. Because the system reduces Santos' natural gas use by half, it also reduces their carbon emissions by half for the site while also decreasing the annual system maintenance required. As a result, Santos achieves greater emissions reductions as part of the energy system upgrade.

Microgrid with PV Reduces Santos' Natural Gas Usage and Carbon Emissions by Half

"With this long-term maintenance contract for this exciting project, Optimal now has a 13 MW fleet under Capstone FPP contracts, with potential additional new contracts in the pipeline," stated Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "This places Optimal firmly in the top-ten of all distributors globally and the top distributor in the Asia Pacific (APAC) region," added Mr. Foster.

"This innovative project highlights the financial and environmental payback potential from the integration of our microturbines with other renewable sources like solar, wind, and battery storage," stated Darren Jamison, President and Chief Executive Officer of Capstone Turbine Corporation. "We expect more customers in the future will benefit from these innovative Microgrid projects with our low life cycle cost microturbines serving as the foundation for a win-win, clean and green energy solution," concluded Mr. Jamison.

Capstone's innovative Factory Protection Plan, or FPP, is a comprehensive maintenance program designed to give financial peace of mind to Capstone customers by providing product life cycle costs at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine system. Additionally, the recently updated FPP protects microturbine customers from potentially dramatic future increases in life cycle costs associated with changes in replacement spare parts pricing, commodity price increases, import tariffs, and interest rate changes.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST) is the world's leading producer of highly efficient, low-emission, resilient microturbine energy systems. Capstone microturbines serve multiple vertical markets worldwide, including natural resources, energy efficiency, renewable energy, critical power supply, transportation and microgrids. Capstone offers a comprehensive product lineup via our direct sales team, as well as our global distribution network. Capstone provides scalable solutions from 30 kW to 10 MWs that operate on a variety of fuels and are the ideal solution for today's multi-technology distributed power generation projects.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: rentals@capstoneturbine.com. To date, Capstone has shipped nearly 10,000 units to 83 countries and in FY20, saved customers an estimated \$219 million in annual energy costs and 368,000 tons of carbon.

For more information about the company, please visit www.capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#) and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding expectations, beliefs, plans, intentions, and strategies of the Company. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, the following: the ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's ability to adequately protect its intellectual property rights; and the impact of pending or threatened litigation. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under "Risk Factors" in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.

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