

January 3, 2018



Capstone Announces New Severe Environment Air Filtration System - Expands Presence in the Middle East with New Flare Gas Reduction Project in Oman

CHATSWORTH, Calif., Jan. 03, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has launched a new cleanable severe environment air filtration system for its innovative line of microturbine products and as a result recently received an order for three C65 microturbines utilizing this new filtration system for a flare gas reduction project in Oman.



The new filtration system allows Capstone microturbines to operate in some of the most extreme environments in the world.

During sand and dust storms common to most hot arid desert areas, particulate concentrations close to the ground can reach levels 20,000 times those in typical U.S. cities. Even at an elevation of above grade, particulate concentrations about 1,000 times U.S. urban averages are frequently observed during sandstorms and dust storms. Such dust and dirt loads can cripple conventional air filtration systems, cause massive maintenance expenditures and allow excessive dust concentrations to be ingested by the turbine.

Capstone's new cleanable severe environment units employ industry standard high-

efficiency filters. They are a scaled down version of the filters used in much larger industrial and aero-derivative gas turbines and allow operation for prolonged time periods in desert environments like the Middle East.

Pipeline Supply Company, Capstone's distributor for Oman and Qatar, secured the order for multiple C65 cleanable severe environment units. The microturbines will be fueled by the associated gas that is a natural byproduct of the oil extraction process. This gas, which can be of poor quality, is normally vented or flared into the atmosphere because it is not of the quality to be put into natural gas pipelines. Additionally, oil and gas operations are typically in remote areas, which means there is no infrastructure available to clean and capture the gas and bring it to market.

Capstone's microturbines help alleviate both problems. First, they are able to run on associated gas with very little pre-treatment and convert it into electricity to be used onsite. Secondly, they are able to operate in remote and harsh environments, like the desert, with very little maintenance while simultaneously having a positive impact on the environment.

According to the EIA (Energy Information Administration), Oman ranks as the 7th largest proved oil reserve holder in the Middle East and 22nd largest in the world at an average of 1 million barrels a day of production in 2016.

"Oil prices posted their strongest opening to a year since 2014 on Tuesday, with crude rising to mid-2015 highs amid large anti-government rallies in Iran and ongoing supply cuts led by OPEC and Russia," said Darren Jamison, President and Chief Executive Officer of Capstone. "With increasing crude oil prices and a growing interest in utilizing associated gas to create onsite energy we are developing a new line of cleanable severe environment air filter systems to improve the overall turbine performance in the growing Middle Eastern markets," added Mr. Jamison.

[U.S. West Texas Intermediate \(WTI\) crude futures](#) were at \$60.20 a barrel by 11:22 a.m. ET on January 2, 2018, down 22 cents, after hitting \$60.74 earlier in the day, the highest since June 2015. [Brent crude futures](#), the international benchmark, were at \$66.32 a barrel, down 55 cents, after hitting a May 2015 high of \$67.29 a barrel earlier in the day. It was the first time since January 2014 that the two crude oil benchmarks opened the year above \$60 per barrel. "Growing unrest in Iran set the table for a bullish start to 2018," the U.S.-based Schork Report said in a note to clients on Tuesday.

"We are enthusiastic to see our distributors in the Middle East continuing to build their capabilities and potential project pipelines," said Jim Crouse, Executive Vice President of Sales and Marketing for Capstone. "Given the size of the oil and gas industry in the Middle East, we expect to see steady growth in the region and our new air filtration system will help ensure those new customers see the same product performance and reliability Capstone customers enjoy in other environments around the world."

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST) is the world's leading producer of low-emission microturbine systems and was the first to market commercially viable microturbine energy products. Capstone has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems

have logged millions of documented runtime operating hours. Capstone is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A UL-Certified ISO 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, including statements about the advantages of Capstone's new cleanable severe environment air filtration system, potential market growth in the Middle East and increasing crude oil prices. Forward-looking statements may be identified by words such as "expects," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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