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One of the World's Largest Oil and Gas Companies Expands Long-Term Microturbine Rental Fleet with Another Capstone C800S in the Permian Basin

VAN NUYS, CA / ACCESSWIRE / December 17, 2019 / Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it continues to expand its long-term microturbine rental business with the deployment of a C800 Signature Series microturbine in the Permian Basin with one of the world's largest oil and gas companies. The new long-term rental was secured by Lone Star Power Solutions, Capstone's exclusive distributor in Arizona, Texas, and the Gulf states. The C800S microturbine is expected to be delivered in December 2019 and commissioned in the first quarter of 2020.

The C800S long-term rental order increases Capstone's existing microturbine rental fleet from 6.2 megawatts (MW) to 7.0 MWs. Last quarter, Capstone's rental fleet revenue grew 52% sequentially as the company continues to expand the current factory long-term rental fleet to a target of 10 MW as part of management's focus to achieve sustainable positive Adjusted EBITDA in the June 2020 quarter and beyond.

Capstone microturbines align perfectly with the needs of the oil and gas industry and are currently used in all phases of oil production, including upstream, midstream, and downstream operations in both onshore and offshore applications. Capstone rentals provide oil and gas customers low operational cost, high availability, and high reliability.

"Our customers demand reliable on-site power, and in partnership with Capstone Turbine, we are able to provide our customers with the one of the most reliable on-site power generation equipment available today," said Douglas Demaret, President of Lone Star Power Solutions. "Of equal importance are emissions associated with power production. Capstone Turbine generators produce less air pollution than delivered utility power, even in cases when solar power accounts for 20% of the utility power mix and are among the cleanest on-site power generation technologies available today," added Mr. Demaret.

According to Technavio, the global power rental market size will grow by over \$992 million during 2018-2022, which will be driven by the rising demand for uninterrupted power in the next five years. The need for continuous, reliable, and quality power is increasing at a considerable rate.

"Long-term rentals are a significant opportunity for us and provide reoccurring revenue and higher margins," said Darren Jamison, President and Chief Executive Officer at Capstone Turbine. "Long-term rentals and our industry-leading Factory Protection Plan (FPP) long-

term service contracts help migrate Capstone towards an energy as a service model which is a good fit for our microturbine technology," concluded Mr. Jamison.

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, providing scalable systems focusing on 30 kW to 10 MWs that operate on a variety of gaseous or liquid fuels and are the ideal solution for today's distributed power generation needs. To date, Capstone has shipped over 9,000 units to 73 countries and has saved customers an estimated \$253 million in annual energy costs and 350,000 tons of carbon.

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

Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal securities laws. Forward-looking statements may be identified by words such as "expects," "believes," "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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