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Capstone Continues to Execute Substantial Long-Term Service Contracts in Texas' Eagle Ford Shale Basin

VAN NUYS, Calif., May 28, 2019 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that Lone Star Power Solutions, its exclusive Distributor for Texas, Arizona and the Gulf States, signed another 3 megawatt (MW) Factory Protection Plan (FPP) long-term service contract in the Eagle Ford Shale Basin in South Texas. This new contract adds to their already signed 12 MWs of FPP contracts previously secured in the same shale region during March of 2019.



Capstone's industry-leading FPP product will initially provide five years of service coverage on 3 MWs of Capstone microturbines for a large international oil and gas end-user. The Capstone microturbines, originally commissioned back in 2013 and 2014, are used for 24x7 prime power in midstream central gathering facilities. In purchasing the long-term service contract for their Capstone microturbines, the end-use customer has furthered their commitment to the technology in order to maintain the high availability that their facilities have experienced over the past five-plus years.

"Our collaboration with Capstone allows Lone Star Power Solutions to offer our customers a comprehensive maintenance program unseen in this industry," said Douglas Demaret,

President of Lone Star Power Solutions. “The reliability of Capstone products coupled with the FPP allows us to assist our customers in fixing their operational costs while solving their need for reliable on-site power in remote locations,” added Mr. Demaret. “This proven reliability, durability and low emission profile have many of our customers choosing Capstone products even when utility power is available,” added Mr. Demaret.

“We are very pleased to see customers in the oil and gas sector continuing their transition over to our industry-leading service products,” said Jeff Foster, Capstone’s Sr. Vice President of Customer Service and Product Development. “We believe this is further validation that our FPP service offering is the best value in the market, affording our customers the peace of mind coming from both our turbine’s high reliability and fixed support expenditures over the long life of this critical capital asset,” added Mr. Foster.

“These types of long-term service contracts underpin Capstone’s stated goal of achieving 100% absorption of all of Capstone’s operating expenses from the aftermarket service business gross margin by providing a predictable recurring revenue stream,” said Darren Jamison, Capstone’s President and Chief Executive Officer. “These continuing FPP wins of new service business in the oil and gas sector have been, and continue to be, a major focus for the Capstone team as it’s a critical element of our strategic plan for long-term profitability, sustainability and growth,” 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 have 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](#) 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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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/d378fb3a-9094-4534-adf8-3dd2dbc9be1c>



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