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As Competition in California's Cannabis Industry Intensifies, Another California Producer Turns to Capstone to Provide 3 Megawatts of Low Cost Energy

VAN NUYS, Calif., March 11, 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 it continues to expand into the growing cannabis industry with a newly secured order for three C1000 Signature Series microturbines in California.

Secured by Cal Microturbine, Capstone's exclusive California distributor, this order marks the largest single order for Capstone microturbines in the emerging cannabis industry. Located in California's central coast, the customer was looking to for a competitive advantage by becoming a self-sustained operation that will encompass grow, production and distribution operations.

The three dual-mode C1000S microturbine systems and Capstone logic controller will provide three megawatts (MW) of prime, stand alone, power at a lower per kilowatt hour cost than the existing utility grid. In addition to providing power at a lower cost per kilowatt, the grower will also improve their overall efficiency during the highly sensitive grow operation by using the exhaust energy of the microturbines for chilled and hot water in order to provide highly optimized climate control.

"Whether it's cannabis or any other product, those who will survive and become the leaders in their industry will be the companies that are forward thinking and tirelessly looking for new and creative ways to optimize production, improve efficiency, reduce waste and lower the cost of quality," said Darren Jamison, President and Chief Executive Officer of Capstone. "As they say, lean thinking is all about creating and efficiently delivering value to the end customer better than the competition," added Jamison.

As more states legalize recreational and medicinal cannabis, the industry is becoming increasingly more competitive with more cultivators entering the market and naturally causing a rise in supply and drop in retail prices. Additionally, according to the 2018 Cannabis Energy Report published by the New Frontier Data and the Resource Innovation Institute, legal cannabis electricity consumption is forecasted to increase 162% from 2017 to 2022.

"This order from Cal Microturbine is already the fourth grow operation in California to choose Capstone's technology to creatively meet its critical energy needs. Year-to-date this new vertical has delivered several million dollars in new revenue growth," said Jim Crouse,

Executive Vice President of Sales and Marketing at Capstone. “Given that electricity costs make up a large part of the overall grow operating expenses, operators are increasingly looking for creative new ways to remain competitive without compromising on their environmental standards,” added Mr. Crouse.

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 of these systems into 73 countries logging millions of operating hours.

Capstone is committed to improving the efficiency of energy needs around the world, while simultaneously reducing global emissions of pollutants and greenhouse gases. Capstone’s systems help end users improve their impact on the environment, while still meeting power and reliability needs. During fiscal year 2019, Capstone saved end-use customers an estimated \$194 million in annual energy costs and 314,000 tons of carbon.

Not only does Capstone enable customers to reduce CO₂ and emissions, Capstone applies the same principles to its own environmental footprint and focuses internally on its environmental risks, energy consumption, waste disposal and carbon footprint. Capstone also strives to foster a corporate culture emphasizing its relationship with employees, customers and suppliers in order to ensure that Capstone’s corporate values are aligned with those of its employees, customers and suppliers.

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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