November 2, 2012

Capstone Microturbines Power Through Hurricane Sandy

CHATSWORTH, Calif., Nov. 2, 2012 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that its microturbine systems continued to operate during and after Hurricane Sandy slammed into the eastern seaboard this week.

News agencies reported on Tuesday morning that a peak total of over eight million electrical utility customers were in the dark. The Northeast was hardest hit, but significant outages occurred in northern Ohio, and sporadic outages occurred as far away as northwest Indiana and northern Georgia. In some regions, power failures were nearly total. Governor Andrew Cuomo said that 90% of Long Island families were without power Tuesday. One of New Jersey's utilities reported that 86% of its 1.1 million customers were without power Tuesday morning, and that figure was still 86% early Wednesday.

On the contrary, all indications that Capstone Turbine has received from its customers and local distribution partners are that installed Capstone systems continued to operate seamlessly during and after the worst storm to strike the East Coast in decades. Capstone applications that weathered the storm ranged from shale gas installations to luxury hotels, office buildings, data centers, health care facilities and industrial customers from Virginia to New Jersey and New York to Massachusetts.

Some installations played critical roles during the crisis that downed power lines and left millions of people without power for days. Salem Community College in Salem County, New Jersey is a Red Cross Disaster Relief Shelter. The site consists of three Capstone C65 microturbines that provide heating, cooling and emergency power to the critical facility. During Hurricane Sandy, the shelter was fully operational as it was continuously powered and heated by the on-site microturbines.

Capstone Mid-Atlantic distributor E-Finity Distributed Generation, LLC was able to continue its critical operations during Hurricane Sandy despite losing utility power for close to 24 hours utilizing a Capstone C65 liquid fuel turbine. The unit was able to maintain E-Finity's remote monitoring system and data center to help dozens of customers monitor and control their Capstone systems during the storm.

E-Finity was able to continue to support Capstone users like Solers, Inc., an innovative information technology software solutions provider for the U.S. government in Arlington, Virginia whose technical experts partner with the Department of Defense, intelligence community and other federal agencies. The site utilizes five C65 Secure Power turbines that provide dedicated power to its data center. "Despite multiple power outages at the facility, the data center never lost power and was able to seamlessly continue its critical business

mission," said Jeff Beiter, E-Finity Distributed Generation's Managing Partner.

It was the same story in the oil and gas shale plays where Capstone microturbines have been installed as emergency power or standalone power for various natural gas production and transmission facilities throughout the Marcellus and Utica Shale Plays. With the impending storm, several critical gas utility sites switched away from their local utility feed to their Capstone microturbines to ride out the storm, while other sites, where Capstone microturbines are their sole source of electric power, were left un-phased during the event. "The reliability of Capstone microturbines prevented these facilities from being taken offline and allowed the gas suppliers to continue to serve their customers uninterrupted throughout the height of the storm," added Beiter.

Cory Glick, President of Reliable Secure Power Systems (RSP Systems), Capstone's distributor for New York and Connecticut, indicated that all Capstone units in his area were performing as designed with several customers continuing to conduct business despite experiencing heavy storm damage. "One very critical site that was hit hard by the storm was a data center on West 17th Street in New York City known as Public Interest. Public Interest has a C65 dual mode microturbine that worked perfectly by seamlessly picking up the data center load when the utility suddenly blacked out. The servers never went down, and the site is still running today thanks to the Capstone turbine. Another very critical site that performed flawlessly was the Christian Health Care Center located in Wyckoff, New Jersey, which is a 292-bed assisted living facility that never lost power thanks to the onsite Capstone product," added Glick.

"RSP Systems' Capstone business had been gaining momentum in recent months before this week's storm, with several new installations under construction for marquee customers like DHL and the Palace Hotel in midtown Manhattan," stated Glick. I fully anticipate that this terrible storm will only add to customers' interest in onsite distributed generation as a way to not only save on their annual energy bills but also to protect them against prolonged utility outages like we are seeing right now as many people in the area will be without power for a week or more," added Glick.

Joel R. Wilson, CEO of OP Energy Systems, a company that currently owns and operates two Capstone installations for Class A office buildings in Manhattan, reported that both sites were fully operational and without incident. "The Capstone microturbine product continues to be our most reliable distributed generation solution. We have experience with both reciprocating engines and other microturbine brands over the years", said Wilson. "In fact, we recently closed another round of growth capital and are in the process of replacing our older less reliable distributed generation equipment with new Capstone product. OP Energy is currently in the process of installing nine C65s at a 37-story office building located at 110 E. 59th Street and five C200s at a 41-story office building located 666 5th Avenue," added Wilson.

"Users around the world continue to adopt Capstone microturbines because they want the high reliability and low emission benefits of our distributed generation products," said Darren Jamison, Capstone President and Chief Executive Officer. "Hurricane Sandy is a tragedy that has had a terrible loss of life and property, but I'm proud of the performance of our Capstone product that successfully kept our customers in business during this crisis. It's unfortunate that in many cases it takes a major event like this to get people to start to think

differently about how to reliably deliver their energy needs and change traditional utility buying habits," said Jamison.

"This storm is a great example why buying energy the way your parents did and your grandparents did may not be the best solution from both a cost and reliability perspective as customers who have embraced on-site distributed generation technologies like microturbines were much better prepared to weather this storm than customers that continue to rely solely on traditional centralized power plants, sub-stations and poles and wires," added Jamison.

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 Turbine has shipped over 6,500 Capstone MicroTurbine(R) systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone Turbine 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 9001:2008 and ISO 14001:2004 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the New York Metro Area, Mexico City, Nottingham, Shanghai and Singapore.

The Capstone Turbine Corporation logo is available at https://www.globenewswire.com/newsroom/prs/?pkgid=6212

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the reliability of our products, the performance of our products in crisis situations, reduced costs and increased sales of our products. 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.

Capstone Turbine Corporation
Investor and investment media inquiries:
818-407-3628