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Capstone Executes 1.6 MW Follow-on Long-Term Service Contract for Industrial End-Use Customer in Mexico

VAN NUYS, CA / ACCESSWIRE / November 5, 2019 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that DTC Ecoenergia (DTC), a Capstone distributor for Mexico, signed a new Capstone Factory Protection Plan (FPP) long-term service contract for 1.6 megawatts (MW) of Capstone Microturbines.

Capstone's industry-leading FPP product will provide 9 years of complete comprehensive service coverage for the end-use industrial customer of Capstone microturbine energy systems. The microturbines, commissioned in 2018, are used for 24x7 electrical and thermal generation in an industrial direct drying application. In signing this FPP, the end-use customer now has all of their 3.8 MW of Capstone microturbines, installed at four different industrial manufacturing facilities, covered under Capstone long-term FPP contracts.

"DTC continues to do an outstanding job by adding new customers or converting existing time and material (T&M) customers over to the Capstone industry-leading long-term service contracts within their growing fleet, as this repeat customer contract shows," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "Our highly profitable aftermarket service sector, largely driven by the recently updated FPP product, is a key element of our near-term positive Adjusted EBITDA plan for long-term profitability," added Mr. Foster.

Capstone's FPP is a comprehensive maintenance program designed to give financial peace of mind to microturbine customers by providing product life cycle costs at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine system. Additionally, the recently updated FPP protects microturbine customers from future increases in life cycle costs associated with changes in replacement spare parts pricing, commodity price increases, import tariffs, and interest rate changes.

"Our entire aftermarket business, including long-term FPP service contracts, as well as new long-term microturbine rentals and T&M spare parts and service support continues to grow," stated Darren Jamison, Capstone's President and Chief Executive Officer. "While all offerings from our aftermarket business are important both from a customer satisfaction and corporate profitability perspective, it is the FPP with its stable, predictable, long-term revenue and positive cash flow that really underpins both our near-term positive Adjusted EBITDA plans and our long-term sustainability and profitability outlook," 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](#), [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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