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Capstone Green Energy to Provide Five Microturbines to Colorado Natural Gas Producer as U.S. Energy Market Heats Up

5 x C65 System Will Provide Low-Emissions and Reliable Power at a Remote Site

LOS ANGELES--(BUSINESS WIRE)-- Capstone Green Energy Corporation (NASDAQ: CGRN), a global leader in carbon reduction and on-site resilient green energy solutions, announced that Horizon Power Systems, the Company's exclusive distributor for the Rocky Mountains in the U.S. and Western Canada, has secured an order for five Capstone C65 microturbines to be installed at a remote natural gas wellsite in northwestern Colorado. The customer is a natural gas producer operating in one of the largest natural gas basins in the U.S. The system is expected to be commissioned and operational in late 2022.

Fueled by high-pressure natural gas (HPNG) produced on-site, the system will provide power to a saltwater disposal (SWD) facility at the wellsite. The microturbines will operate in dual mode, seamlessly transitioning from continuous power to standby when needed.

Rather than overhaul an old diesel-fueled reciprocating engine that emitted high levels of greenhouse gases, the producer turned to Capstone's microturbine technology. In this extremely remote and challenging high-altitude environment, the microturbines will provide very high reliability, withstand harsh weather conditions, and require minimal maintenance compared to traditional reciprocating engines.

Choosing Capstone met another key customer requirement: low emissions. As the first state in the U.S. to require oil and gas producers to reduce methane emissions, Colorado has implemented strict standards, which the Capstone microturbines exceed. For added flexibility, Horizon Power Systems is fabricating a skid that will make it easy to transport the system to other wellsites. The skid will be able to accommodate another microturbine in the future when needed.

"The producer is committed to using clean power at its wellsites," said Sam Henry, President of Horizon Power Systems. "Capstone microturbines are much easier and less costly than reciprocating engines to maintain. The producer won't spend money on oil, diesel fuel, parts, and employee time each month to maintain the engine. Instead, the lower maintenance costs of microturbines can increase the gas producer's bottom line."

"Overall, oil and natural gas prices remain elevated due to a relatively constructive demand picture, supply uncertainty and the geopolitical premium from Russia's invasion of Ukraine," said Darren Jamison, Chief Executive Officer of Capstone Green Energy. "These elevated prices and pressure to decarbonize the oil and gas industry are leading to more opportunities for our innovative low emission products," concluded Jamison.

About Horizon Power Systems

For over 20 years, Horizon Power Systems has worked exclusively with Capstone Green Energy to provide microturbine systems across the Rocky Mountain States and in Western Canada. It has installed over 1,000 microturbines that have logged millions of documented runtime operating hours. Whether for CHP, trigeneration (CCHP), microgrids, or prime power, the Horizon Power Systems team customizes each microturbine system to meet the customer's unique power and sustainability needs.

About Capstone Green Energy

Capstone Green Energy (NASDAQ: CGRN) is a leading provider of customized microgrid solutions and on-site energy technology systems focused on helping customers around the globe meet their environmental, energy savings, and resiliency goals. Capstone Green Energy focuses on four key business lines. Through its Energy as a Service (EaaS) business, it offers rental solutions utilizing its microturbine energy systems and battery storage systems, comprehensive Factory Protection Plan (FPP) service contracts that guarantee life-cycle costs, as well as aftermarket parts. Energy Generation Technologies (EGT) are driven by the Company's industry-leading, highly efficient, low-emission, resilient microturbine energy systems offering scalable solutions in addition to a broad range of customer-tailored solutions, including hybrid energy systems and larger frame industrial turbines. The Energy Storage Solutions (ESS) business line designs and installs microgrid storage systems creating customized solutions using a combination of battery technologies and monitoring software. Through Hydrogen & Sustainable Products (H2S), Capstone Green Energy offers customers a variety of hydrogen products, including the Company's microturbine energy systems.

To date, Capstone has shipped over 10,000 units to 83 countries and estimates that in FY22, it saved customers over $213 million in annual energy costs and approximately 388,000 tons of carbon. Total savings over the last four years are estimated to be approximately $911 million in energy savings and approximately 1,503,100 tons of carbon savings.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: rentals@CGRNenergy.com.

For more information about the Company, please visit www.CapstoneGreenEnergy.com. Follow Capstone Green Energy on Twitter, LinkedIn, Instagram, Facebook, and YouTube.

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's target for growth of its rental fleet and other statements regarding the Company's expectations, beliefs, plans, intentions, and strategies. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and

other factors, including, but not limited to, the following: the sufficiency of the Company's working capital to meet its rental fleet growth target; the ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; product quality issues, including the adequacy of reserves therefor and warranty cost exposure; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's ability to adequately protect its intellectual property rights; and departures and other changes in management and other key employees. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under "Risk Factors" in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events, or for any other reason.

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