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Capstone's Single Largest Combined Heat and Power Installation of Microturbine Technology Enters into a 9-Year Comprehensive Long-Term Service Contract

VAN NUYS, CA / ACCESSWIRE / December 11, 2019 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that E-Finity Distributed Generation, Capstone's exclusive distributor for the Mid-Atlantic, Southeastern United States and the Caribbean, signed a long-term Factory Protection Plan (FPP) service contract covering Capstone's single largest combined heat and power (CHP) installation with 5 megawatts (MW) of Capstone Microturbines.

"I am extremely pleased with our Capstone aftermarket business, including long-term FPP service contracts, Distributor Support Systems (DSS) program, as well as our new long-term microturbine rental fleet as all three of these initiatives continue to deliver steady revenue growth and solid contribution margins," stated Darren Jamison, Capstone's President and Chief Executive Officer.

"While all of the offerings from our aftermarket business are important to Capstone, 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. The 5 MW CHP installation, now with its new 9-year FPP, is expected to benefit both Capstone and the end-use customer jointly over the life of the project, making it truly a long-term win-win energy partnership," concluded Mr. Jamison.

Capstone Turbine's 9-year 5 MW Comprehensive Service Program

The five new Signature Series C1000's are commonly ducted together to inject the turbines' exhaust thermal energy directly into a drying process for a large ceramic tile manufacturer in the United States. This 9-year FPP will provide comprehensive service coverage, including engine overhauls, as well as all scheduled and unscheduled maintenance at a fixed cost for the entire 9-year term. The Capstone microturbines, commissioned in late October 2019, are used for 24x7 electrical and thermal generation and are configured with Capstone Dual-Mode technology that will "island" the power plant and provide back-up electrical and thermal power to plant operations in the event of a local grid power outage.

"E-Finity sets the standard for aftermarket support for their large fleet of Capstone Microturbines, and with this win, they now have 54 MW under the Capstone innovative FPP

program," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "With this latest Energy Efficiency FPP contract coming on the heels of a number of large Oil & Gas FPP contracts, our flexible FPP offering has become the backbone for continuing the top-line growth of our high margin aftermarket business," added Mr. Foster.

"The continued high adoption rate of our FPP, now with 54% of eligible customers covered, is driving our profitable aftermarket business to new highs," stated Jen Derstine, Capstone's Vice President of Marketing and Distribution. "By securing this newest contract, we have set another record of having 263 MWs covered under long-term service contracts, which provides the backbone for recurring, predictable, profitable revenue streams for many years and is a great asset to all our stakeholders including our distribution partners who perform the work under the FPP contract on behalf of Capstone," concluded Mrs. Derstine.

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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CONTACT:

Capstone Turbine Corporation
Investor and investment media inquiries:

818-407-3628

ir@capstoneturbine.com

Integra Investor Relations

Shawn M. Severson

415-226-7747

cpst@integra-ir.com

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