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Capstone Receives Multiple Orders for Offshore Platforms from New Alaska Distributor Chenega Energy

CHATSWORTH, Calif., Dec. 4, 2013 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced that it received multiple orders for oil and gas offshore platforms from its new Alaskan distributor Chenega Energy LLC. The orders are for a single C1000 and multiple C200s for use on offshore platforms in Alaska's Cook Inlet.

Chenega Energy secured the orders from Hilcorp Alaska LLC, which purchased 10 oilrigs in Alaska's Cook Inlet from Chevron and Marathon Oil in 2012 and 2013. Since January 2012, oil production on the platforms has increased by 36 percent to approximately 9,700 barrels per day. Despite this increase, cost of oil production remains high and Hilcorp plans to invest over $500 million to further develop this project and make structural changes to help drive down costs. It reported that half of this budget would be spent on remediation, repair, and replacement of old equipment and antiquated technology. One example of the changes being made is to convert the wells from gas-lift to ESPs (Electric Submersible Pumps) on all the platforms.

"This conversion to electric pumps highlights one of the reasons Capstone's microturbines are a perfect operational fit for the oil and gas market," said Jim Crouse, Capstone's Executive Vice President of Sales and Marketing.

In addition to the expanded need for clean and reliable electrical power at remote sites, Hilcorp has sour gas, which contains 2000ppm of H2S. Capstone microturbines can easily handle this type of sour gas, whereas traditional power generation solutions would require expensive fuel pre-treatment. Furthermore, the ability of Capstone's microturbines to parallel to existing power generation equipment or work independently was another driving factor in the purchase decision.

"Capstone's extremely low emissions, low maintenance, and ability to operate without lubricating oil and cooling fluids also make it a perfect option for Alaska, where environmental impact, sustainability, and reliability are key issues," said Darren Jamison, Capstone President and Chief Executive Officer.

According to Greg Porter, President of Chenega Energy LLC, "Capstone microturbines are an amazing solution for Alaska's growing energy needs. With a state that covers an area 1/3 the size of the contiguous 48 states, our challenges are diverse. Rising energy costs, remote locations, and lack of a statewide grid infrastructure requires creative reliable solutions. In addition, often in this Arctic climate, 70% of our needs are heat. I believe we are seeing the

beginning of a proliferation of Capstone solutions in Alaska across multiple industries and market sectors."

Hilcorp has also purchased two C200s for the Bruce Platform in Nikiski, Alaska that are currently in the process of being installed. Hilcorp currently owns more than a dozen Capstone microturbines, some of which were inherited in the purchase from Marathon Oil, that have maintained a spotless operating record.

"Based on Capstone's demonstrated reliability and performance, Hilcorp plans to use Capstone microturbines on the remaining 5 drill rigs that have yet to be renovated," added Porter.

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 approximately 7,000 Capstone Microturbine 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 use of our products in the oil and gas market, suitability of our products in Alaska, and future orders of our products by Hilcorp. 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.

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