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Capstone Secures Follow-On 2.4 MW FPP Long-Term Service Contracts with Key Oil & Gas Producer

VAN NUYS, Calif., April 09, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has secured multiple significant Factory Protection Plan (FPP) aftermarket long-term service contracts as follow-on orders to the 6.9 megawatt (MW) multimillion-dollar contract signed back in early January 2018.

E-Finity Distributed Generation, Capstone's exclusive distributor for the Mid-Atlantic and Southeastern United States and a leading power solutions provider in the Marcellus and Utica shale regions, secured the follow-on FPP aftermarket service agreements to cover a major gas producer's growing microturbine fleet at multiple locations in the Appalachian Basin. E-Finity maintains a fleet of over 600 microturbines in continuous duty operation. These new FPP contracts cover a total of 2.4 MWs for two C200 microturbines and two C1000 systems deployed at various remote oil and gas locations, bringing the total FPP long-term service coverage with this key oil and gas producer to 9.3 MW.

Capstone's FPP is an industry leading aftermarket service plan, delivering peace of mind, predictable maintenance costs and remote monitoring capabilities at an economical price. The all-inclusive long-term FPP contract helps ensure business continuity while normalizing maintenance costs with a simple fixed maintenance fee per year regardless of the annual scheduled or unscheduled maintenance required.

"A key component to Capstone's growth strategy is to increase our quarterly aftermarket service revenue and expand aftermarket gross margins to the point that they cover 100% of our quarterly operating costs," said Darren Jamison, President and Chief Executive Officer of Capstone. "The FPP attachment rates on our combined heat and power (CHP) business has historically been much higher than our oil and gas customers, but we are seeing that change as oil and gas customers see the tremendous value and peace of mind provided by our factory-backed guaranteed life cycle contracts," added Mr. Jamison.

"Most natural gas producers in the Appalachian Basin operate in remote locations where traditional utility power is not very reliable and less economical. Capstone's microturbines are a reliable, low emission power source that our customers rely on 24/7 to help maintain the critical natural gas infrastructure," said Jim Bondi, Executive Vice President of E-Finity.

"Capstone continues to expand its aftermarket service offering to be more competitive in the distributed generation marketplace and is now bundling our product, accessories and service contracts to make our value proposition even more compelling to the end-use

customer," said Jeff Foster, Senior Vice President of Customer Service for Capstone.

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 has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone 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 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

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," "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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