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Capstone Executes Another 3.2 MWs of Long-Term Service Contracts in Marcellus and Utica Shale Regions as FPP Adoption Rates Continue to Accelerate in Oil and Gas Market

VAN NUYS, Calif., June 13, 2019 (GLOBE NEWSWIRE) -- 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 Factory Protection Plan (FPP) service contracts in the Marcellus and Utica shale regions in the Appalachian Basin covering 3.2 megawatts (MWs) of Capstone microturbines.

Capstone's FPP long-term service contract adoption rates are accelerating as the company recently announced that, during the quarter ended March 31, 2019, the company signed multiple FPP service contracts covering a combined total of 30.7 MWs, a record for the company.

"The majority of those thirty-megawatt of contracts were in the oil and gas vertical," stated Darren Jamison, Capstone's President and Chief Executive Officer. "The transition of oil and gas customers to Capstone FPP service contracts is a strong indicator for the continued growth of our aftermarket service business. The aftermarket service business was approximately 38% of Capstone's total fiscal 2019 revenue and accounted for approximately 98% of the gross margin," added Mr. Jamison.

The microturbines, commissioned between 2011 and 2016, are used for 24x7 prime power in midstream central gathering facilities. Capstone recently announced it launched an enhanced version of its industry-leading FPP service contract, with many new coverage options for oil and gas end-use customers of Capstone's microturbine energy systems.

"We are pleased to see another one of our key oil and gas customers acknowledge the strength of our service team by entering into a fixed, long-term maintenance program that ensures peak performance and high availability of their turbine fleet," said Anthony Colletti, Director of Service for E-Finity Distributed Generation. Mr. Colletti further added, "E-Finity's guaranteed on-site response of 4 hours or less to unscheduled events as well as our advanced remote monitoring system has given our customers confidence in the Capstone product which allows them to focus on their core business of resource recovery."

The Capstone FPP enables the customer to have predictable and stable maintenance costs

and protects the customers from future cost increases associated with changes in replacement spare parts pricing, commodity price increases, import tariffs and interest rate changes.

“With a continued dynamic geopolitical and macroeconomic environment, the peace of mind that comes with Capstone’s industry-leading FPP continues to draw large oil and gas customers over to this unique-in-the-market service offering,” said Jeff Foster, Capstone’s Senior Vice President of Customer Service and Product Development. “Our recently revamped FPP now provides our customers with many standard options, for up to 20 years, to develop their own unique service plan, therefore enabling them to get the highest return on their investment in a Capstone microturbine for many, many years,” added Mr. Foster.

“The continued adoption of the FPP in oil and gas markets is a critical element of Capstone’s stated goal of achieving 100% absorption of all of Capstone’s operating expenses from the aftermarket service business gross margin by providing a predictable recurring revenue stream,” 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 has 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](#) 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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