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Capstone Expands its Presence in North American Healthcare Market with New CHP Projects

VAN NUYS, Calif., April 02, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today its continued expansion into the healthcare market with new combined heat and power (CHP) projects at two North American hospitals. In addition, a third high profile North American hospital, that had previously purchased Capstone microturbines, will be commissioning its new CHP system in May and will be a regional showcase installation.

Capstone leadership previously announced its plans to specifically target hospitals as part of its expansion in the critical power market vertical, which was approximately 1% of revenue in fiscal 2017, making it a key revenue growth opportunity in fiscal 2018 and beyond.

Each day, hospitals serve thousands of employees, patients and visitors while being open twenty-four hours a day, seven days a week. This naturally results in high-energy use, making hospitals excellent targets for energy efficiency measures. In a typical hospital, lighting, space heating and water heating represent approximately 65% of total energy usage making those systems good targets for energy-efficient CHP systems.

According to statistics recently published by National Grid, hospitals in the U.S. spend an average of \$1.67 on electricity and \$0.48 on natural gas per square foot annually, which makes them excellent candidates for microturbine powered CHP systems. In addition, hospitals are critical power installations that require a robust and reliable energy source, as well as backup power solutions, which is also in line with the value proposition provided by microturbine technology.

One hospital located in the Western United States will utilize ten new natural gas-fueled C65 integrated combined heat and power (ICHP) systems and a hospital located in Eastern Canada will employ four new C65 ICHP units. Together the 14 new natural gas-fueled Capstone C65 ICHP microturbine systems will provide on-site hot water making them the ideal solution for the two hospitals by generating low cost clean and green electricity and thermal energy. Both projects are expected to be commissioned in the fall.

A third hospital located in the greater Manhattan area of New York City will be commissioning 1.6 megawatts (MWs) of Capstone Signature Series microturbines in May. This high profile project is a CHP application and was sold early last year. In total, the three new hospital projects will utilize 2.5MWs of Capstone product into this growing market vertical and serve as a showcase and blueprint for other hospitals in North America to

emulate.

"These three projects are a good indication of our increasing success in targeting the healthcare industry. More than ever, hospitals today are becoming interested in reducing operating costs in the increasingly challenging and competitive healthcare environment," said Darren Jamison, President and Chief Executive Officer of Capstone. "One of the new orders is a follow-on from a longtime Capstone customer, but the other two customers are new to the Capstone family. All three represent significant follow-on sales opportunities," added Mr. Jamison.

With hundreds of CHP installations around the world, Capstone is at the forefront of the distributed generation or DG movement, helping empower businesses to break free from the local utility and take control of their energy resiliency, emissions and operating costs. Additionally, Capstone microturbines have industry-leading emissions levels and are one of the most environmentally friendly methods to produce on-site power in the world.

"The CHP market is growing worldwide, and it is great to see three different Capstone distribution partners capitalizing on our corporate focus on the critical power market vertical," said Jim Crouse, Executive Vice President of Sales and Marketing of Capstone. "We expect to continue to grow this critical power market vertical with not only hospitals but also data centers, portable power and telecom customers," added Mr. Crouse.

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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