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Capstone Distributor E-Finity Secures Three Large Factory Protection Plan (FPP) Contracts Totaling 3.1 Megawatts

Continues Expansion Through West Virginia Service Hub



E-Finity services over 300 Capstone microturbines under long-term FPP service contracts

VAN NUYS, Calif., Nov. 12, 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 its distribution partner E-Finity Distributed Generation recently signed three separate long-term Factory Protection Plan (FPP) multi-year service contracts representing 3.1 Megawatts (MW).

E-Finity Distributed Generation, Capstone's distributor for the Mid-Atlantic and Southeastern U.S., secured the significant follow-on service contracts for multiple C65s and C1000 microturbines currently powering properties in multiple locations in the region. The new contracts are for up to 15 years of scheduled and unscheduled maintenance coverage. With these three new contracts, E-Finity now has a total of over 302 microturbines representing over 40 MW under long-term Capstone FPP contracts.

Capstone's FPP is a comprehensive maintenance program designed to give financial peace of mind to customers by setting the cost at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine product. The FPP contract enables customers to have predictable and stable maintenance costs over the life of the equipment and protects the users from unscheduled maintenance expenditures.

"At the end of last quarter, we had approximately \$74 million in long-term FPP service contract backlog with another approximately \$25 million in large pending FPP service contracts we expected to close in the back half of the fiscal year. These three contracts

represent the first of the \$25 million pending contracts to close as anticipated,” said Darren Jamison, Capstone’s President and Chief Executive Officer. “The revenue growth in our aftermarket business is key to Capstone reaching our profitability goals. To provide some perspective on this, last year the aftermarket business accounted for 39% of our total revenue, but made up 81% of our gross margin,” added Mr. Jamison.

In addition, E-Finity recently expanded its service operations by opening a new warehouse and service center in Clarksburg, West Virginia as well as a remote service hub in Beckley, West Virginia. In addition E-Finity has hired an Operations Supervisor to better service customers in the Marcellus Shale Play. E-Finity now has locations in Pennsylvania, Washington DC, Florida, and West Virginia.

According to the U.S. Energy Information Administration (EIA) “the Marcellus Middle Devonian-age organic-rich formation, also known as Marcellus Shale, extends in the subsurface from New York State in the north to northeastern Kentucky and Tennessee in the south and is the most prolific natural gas-producing formation in the Appalachian basin. The formation footprint covers about 95,000 square miles with a prospective area about 72,000 square miles.”

“Because of the proven ability of Capstone microturbines to provide both economic savings, carbon savings and effectively power through severe weather events like hurricanes, customers are adopting our industry-leading FPPs to guarantee both high availability, and if required, quick repairs of these critical onsite power generation assets,” said Jeff Foster, Capstone’s Senior Vice President of Customer Service.

“These types of long-term service contracts underpin our stated goal of achieving full absorption of all corporate operating costs from the gross margin from our predictable aftermarket future revenue stream,” said Mr. Jamison. “As we approach and eventually eclipse this inflection point, this will open up many competitive options for Capstone moving forward for increasingly strong growth of our behind the meter energy solution business,” added Mr. Jamison.

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 DQS-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.

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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