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Capstone Lands Long-Term Rental Agreement with Exploration and Production Company Focused on Alaska

VAN NUYS, CA / ACCESSWIRE / July 1, 2019 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it continues to expand its long-term microturbine rental business with a 1.0 megawatt (MW) long-term rental contract with an exploration and production company focused on the development of oil and gas resources in Alaska.

The new 1 MW long-term rental was secured by Capstone's longtime distribution partner, Horizon Power Systems, its exclusive Distributor for Colorado, Idaho, Montana, New Mexico, Oklahoma, Utah, Wyoming, Alberta, British Columbia, Northwest Territories, Saskatchewan and Yukon.

This latest long-term rental is in addition to the current C1000 Series microturbine rental fleet of 4.6 MWs and the previously announced 1.6 MWs that are expected to be deployed in September. Expanding Capstone's aftermarket business, which includes the new long-term rental program, is an important element for the company achieving its near-term profitability goal. This is illustrated by the fact that 98% of Capstone's fiscal 2019 gross margin came from the aftermarket business, which was only 38% of Capstone's fiscal 2019 revenue.

"The expansion of our long-term rental fleet from our initial start of 3.6 MWs last fall, to a total of 6.2 MWs, puts us well on our way to reaching our strategic goal of 10 MWs," said Darren Jamison, Capstone's President and Chief Executive Officer. "Long-term rentals are a critical part of our 100% expense absorption plan and are expected to help us reach our near-term profitability goals," added Mr. Jamison.

"Natural gas generators are gaining popularity in the rental market due to their lower emission profile compared to the high environmental impact of diesel rental generators. Capstone microturbines are recognized as the low emission leader in the stationary power space," said Jim Crouse, Capstone's Executive Vice President of Sales and Marketing.

"Horizon did a great job in securing this C1000S long-term rental agreement, and it further improves our high-margin recurring aftermarket revenues," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "I'm very confident we will reach our goal of 10 MW as planned," concluded Mr. Foster.

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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