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Capstone Green Energy (NASDAQ:CGRN) Receives Order for a Microturbine Intended to Run on Hydrogen for a Remote Offshore Demonstration Project

Renewable Energy System Will Support Sustainable Seafood Production in Tasmania, Australia

VAN NUYS, CA / ACCESSWIRE / May 12, 2021 /Capstone Green Energy Corporation (www.CapstoneGreenEnergy.com) (NASDAQ:CGRN) formerly Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST) ("Capstone" or the "Company"), a global leader in carbon reduction and on-site resilient green energy solutions, announced today that it has received an order for a microturbine intended to run on hydrogen. Secured by Capstone partner Optimal Group, the order for Blue Economy CRC is an integral part of an offshore DC-power based microgrid that will support offshore research and aquaculture for food production.

Blue Economy CRC is a cooperative research center in partnership with national and international universities and industry that was established to bring together sustainable seafood production and renewable energy in order to further develop Australia's aquaculture industry. Supporting the organization's mission by providing emissions-free electricity, the microgrid will manage the energy generated from readily available offshore, renewable resources, including solar, wind, and waves, and use it to produce hydrogen via a 700 kW electrolyzer. The hydrogen produced by the ITM Power electrolyzer will be connected to the microturbine, which will provide power on demand. The result is expected to be a safe and clean microgrid that serves as an opportunity to showcase the environmental benefits and flexibility of green hydrogen as an energy storage medium and fuel source for resilient power generation. Beyond offering the potential for 100% hydrogen-fuel-based power generation, the microturbine was an ideal fit due to its ability to operate at partial loads while matching its output to the demands of the rest of the microgrid system.

The initial stage of the project aims to provide proof of concept for a DC microgrid combined with multiple renewable sources. Subsequently, a full marinization and commercialization of the system will be completed to support remote, offshore operation.

Capstone Green Energy continues to expand and develop its new Hydrogen Solutions business line. The Company recently released its first commercially available hydrogen-based Combined Heat and Power (CHP) product, which can safely run on a 10% hydrogen - 90% natural gas mix, and the Company is targeting a commercial release of 30% hydrogen - 70% natural gas mix product by March 31, 2022. In addition, through its Research and

Development partnership with Argonne National Laboratory, the Company is currently testing a 70% hydrogen - 30% natural gas configuration. Argonne National Laboratory is a national science and technology research laboratory operated by the University of Chicago Argonne LLC for the United States Department of Energy. The nation's first national laboratory, Argonne conducts leading-edge basic and applied scientific research in virtually every scientific discipline. This particular demonstration project is intended to run on 100% hydrogen.

"This is truly an exciting demonstration project to be part of and an important technical building block as we continue to move towards a commercial 100% hydrogen CHP and microgrid product," said Darren Jamison, President and Chief Executive Officer of Capstone Green Energy. "Capstone's ability to provide a microturbine that is intended to be 100% hydrogen-fueled marks an important evolution in our solution offerings as we continue to offer ever-more sustainable configurations for our customers," added Mr. Jamison.

"This is a project of many firsts. It will be the largest hydrogen electrolyzer in Tasmania and amongst the largest in Australia," said Craig Dugan, Chief Executive Officer of Optimal Group. "The first hydrogen Capstone microturbine to be deployed in Tasmania and only the second in Australia, indeed worldwide. On the current research program schedule, it should be the first hydrogen microgrid to be installed offshore." Mr. Dugan added, "Optimal is delighted to be a part of the ground-breaking Blue Economy CRC research program and to be selected to provide the microturbine, electrolyzer, and DC microgrid."

About Capstone Green Energy

Capstone Green Energy (www.CapstoneGreenEnergy.com) (NASDAQ:CGRN) is a leading provider of customized microgrid solutions and on-site energy technology systems focused on helping customers around the globe meet their environmental, energy savings, and resiliency goals. Capstone Green Energy focuses on four key business lines. Through its Energy as a Service (EaaS) business, it offers rental solutions utilizing its microturbine energy systems and battery storage systems, comprehensive Factory Protection Plan (FPP) service contracts that guarantee life-cycle costs, as well as aftermarket parts. Energy Conversion Products are driven by the Company's industry-leading, highly efficient, low-emission, resilient microturbine energy systems offering scalable solutions in addition to a broad range of customer-tailored solutions, including hybrid energy systems and larger frame industrial turbines. The Energy Storage Products business line designs and installs microgrid storage systems creating customized solutions using a combination of battery technologies and monitoring software. Through Hydrogen Energy Solutions, Capstone Green Energy offers customers a variety of hydrogen products, including the Company's microturbine energy systems.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: rentals@CGRNenergy.com. To date, Capstone has shipped over 10,000 units to 83 countries and estimates that, in FY21, it saved customers over \$217 million in annual energy costs and approximately 397,000 tons of carbon. Total savings over the last three years are estimated at 1,115,100 tons of carbon and \$698 million in annual energy savings.

For more information about the Company, please visit: www.CapstoneGreenEnergy.com. Follow Capstone Green Energy on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#), and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding expectations for green initiatives and execution on the Company's growth strategy and other statements regarding the Company's expectations, beliefs, plans, intentions, and strategies. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, the following: the ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; product quality issues, including the adequacy of reserves therefor and warranty cost exposure; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's ability to adequately protect its intellectual property rights; and the impact of pending or threatened litigation. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under "Risk Factors" in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.

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