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Capstone Secures 6.9 Megawatt Multimillion-Dollar FPP Contract with Key Oil & Gas Producer

VAN NUYS, Calif., Jan. 10, 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 it has secured a 6.9 megawatt (MW) multimillion-dollar long-term Factory Protection Plan (FPP) aftermarket service contract.

E-Finity Distributed Generation, Capstone's exclusive distributor for the Mid-Atlantic and Southeastern United States and a leading power solutions provider in the Marcellus and Utica shale regions, secured the FPP aftermarket service agreement to cover a major gas producer's microturbine fleet at multiple locations in the Appalachian Basin. E-Finity maintains a fleet of over 600 microturbines in continuous duty operation. This new FPP contract covers a total of 36 Capstone units, ranging from 65 kilowatts (kW) to 800kW, deployed at various remote oil and gas locations.

Capstone's FPP is an industry leading aftermarket service plan, delivering peace of mind, predictable maintenance costs and remote monitoring capabilities at an economical price. The all-inclusive long-term FPP contract helps ensure business continuity while normalizing maintenance costs with a simple fixed maintenance fee per year regardless of the annual scheduled or unscheduled maintenance required.

"Capstone continues to execute management's profitability plan, and a key component of that plan is to increase our quarterly aftermarket service revenue and expand gross margins all while providing customers increased uptime and improved system reliability and performance," said Darren Jamison, President and Chief Executive Officer of Capstone.

This particular oil and gas company had growing concerns over unpredictable weather patterns, such as arctic blasts and increasingly severe storms. Many of the oil and gas sites are in remote locations that experience harsh weather conditions, especially during winter storms where temperatures regularly plummet to sub-zero conditions.

"Most natural gas producers in the Appalachian Basin operate in remote locations where traditional utility power is not very reliable or economical. Capstone's microturbines are a reliable, low emission power source that our customers rely on 24/7 to help maintain the critical natural gas infrastructure. The factory-backed long-term FPP service product gives them peace of mind that their equipment will be well maintained and continuously monitored

– delivering excellent system uptime over many years,” said Jim Bondi, Executive Vice President of E-Finity.

The 6.9MW multimillion-dollar FPP service contract means that Capstone’s total long-term FPP service contract backlog continues to hit record levels and is approaching \$80 million.

“Capstone continues to expand its aftermarket service business from both a revenue and margin perspective while partnering with our distribution partners to provide increased uptime and system reliability at an extremely competitive price for our critical end-use customers,” said Jeff Foster, Senior Vice President of Customer Service for Capstone.

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, about the advantages and increased adoption of our FPP. 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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