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Capstone Continues to Expand Its Long-Term Rental Fleet as Part of Its Positive Adjusted EBITDA Strategy with a C600S Rental in the Permian Basin

VAN NUYS, CA / ACCESSWIRE / February 20, 2020 /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 execute against its planned 10 megawatt (MW) long-term microturbine rental business with the deployment of a C600 Signature Series microturbine in the Permian Basin with a repeat customer and one of the world's largest oil and gas companies. The new long-term rental was secured by Lone Star Power Solutions (www.lonestarpowersolutions.com), Capstone's exclusive distributor in Arizona, Texas, and the Gulf states.

The C600S long-term rental order increases Capstone's existing microturbine rental fleet from 7.0 MW to 7.6 MWs, and the company continues to expand the current factory long-term rental fleet to a target of 10 MW, as part of management's focus to achieve sustainable positive Adjusted EBITDA in the June 2020 quarter and beyond.

Capstone microturbines align perfectly with the needs of the oil and gas industry and are currently used in all phases of oil production, including upstream, midstream, and downstream operations in both onshore and offshore applications. Capstone long-term rentals provide oil and gas customers low operational cost, high availability, and high reliability.

"The demonstrated performance of Capstone Turbine products has proven to be an integral part of our customer's operational requirements," said Doug Demaret, President of Lone Star Power Solutions. "Capstone products allow Lone Star Power to provide its customers with 100% uptime, low emissions, and infrequent service visits, allowing our customers to focus on their core energy business," added Mr. Demaret.

With the instability in the global oil markets, the demand for rental units continues to grow as oil and gas companies look to conserve capital and focus on increasing free cash flow. Capstone is experiencing increased demand globally for long-term rental units, a trend the company expects to continue through 2020 and beyond.

"Developing a 10 MW long-term rental fleet is a critical component of management's plan to achieve not only positive Adjusted EBITDA in the June 2020 quarter, but the long-term high margin source of revenue is critical to enable us the opportunity to sustain positive Adjusted EBITDA beyond our June target," said Darren Jamison, President and Chief Executive Officer at Capstone Turbine. "The continued growth of our long-term rentals, long-term

service contracts and expanded lower cost spare parts remanufacturing program are significant drivers of future margin expansion," concluded Mr. Jamison.

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 in FY19 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](#), [Instagram](#), 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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