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Capstone Expands CHP Market in Canada with Major Canadian Real Estate Investment Trust

VAN NUYS, Calif., Jan. 24, 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 its initial order from a major Canadian real estate investment trust (REIT).

Vergent Power Solutions, Capstone's exclusive distributor for the Upper Midwest, New England and Eastern Canada, secured the order for the 260 kilowatt (kW) combined heat and power (CHP) system, which will help provide backup capacity for the large residential tower.

"Our CHP experience in New York and other key markets suggests that penetrating the local area REITs is an essential first step in opening a new CHP market, as large REITs tend to be very high profile industry thought leaders," said Darren Jamison, President and Chief Executive Officer of Capstone. "Ontario is Canada's most populous province accounting for nearly 40 percent of the country's population and is the second-largest province in the total area, so it is a critical CHP market for Capstone. We are very happy with the performance of Vergent Power's initial CHP projects," added Mr. Jamison.

Vergent Power is working with its strategic partner Whitby Hydro Energy Services to develop follow-on orders for other large multi-tenant buildings and REITs throughout the Toronto area. Additionally, Vergent Power is seeing increased interest in CHP products in the Ontario market, with rising electric rates and low-priced natural gas fueling interest in the energy saving technology.

Microturbines also have a minimal impact on the environment, making them the ideal candidate for distributed generation projects in Canada, which has very strict emissions regulations. Additionally, Ontario is very progressive in offering an incentive for installing efficient CHP systems, which we believe is further creating new demand for Capstone's innovative microturbine technology.

"The Capstone microturbine is an ideal fit for multi-unit residential applications in cold weather climates," said Justin Rathke, Vergent Power's President. "This is already our fourth Capstone CHP system to be installed in an apartment or condominium building in the Toronto area because building owners are looking for energy savings and resiliency. The Capstone product is compact and quiet, which allows for simple installation into existing

urban buildings, plus the auto-transfer capability allows building owners to immediately power and heat their buildings if the grid fails," stated Mr. Rathke.

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. 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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