

October 8, 2018



Capstone Continues to Expand its Presence in the Permian Basin with a 2 MW Long-Term Rental for One of the World's Largest Oil and Gas Producers

VAN NUYS, Calif., Oct. 08, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today it continues to expand into the Permian Basin with a 2 megawatt (MW) long-term rental for one of the world's largest oil and gas producers. The long-term rental order, secured by Capstone's new distribution partner, Lone Star Power Solutions, is expected to be delivered and commissioned in November.

The Permian Basin is a sedimentary basin spanning much of West Texas and Southeastern New Mexico. It is widely considered one of the most abundant oil and natural gas geologic basins in the United States and reportedly holds the largest crude oil fields in the United States, including more than 20 of the nation's top 100 oil fields. Additionally, improved oil recovery techniques and technologies including water flooding and carbon dioxide injection have increased production levels in the basin. Capstone, therefore, considers penetrating existing and new customers in the Permian Basin to be a critical part of its near-term double-digit growth strategy.

"This long-term 2 MW rental is a significant opportunity for us as this is our first foray of Capstone microturbine technology with this major oil and gas company in the Permian," said Darren Jamison, Capstone's President and Chief Executive Officer. "This significant oil and gas company is primarily focused on the exploration, development, production, refining and marketing of oil and natural gas, as well as related chemicals, and this rental, if successful, could potentially lead to additional long-term rentals and future product purchases as they operate in more than 70 countries worldwide," concluded Mr. Jamison.

The oil and gas company sought a flexible and scalable energy solution that could be quickly and easily deployed within 45 days and be seamlessly expanded in the future to accommodate the growing energy needs of its installations. Capstone microturbines are extremely reliable, modular, inherently redundant by design and can be easily expanded or relocated to accommodate changes in customer's future site loads.

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. Rental customers are also looking to capitalize on the benefits offered by Capstone microturbine technology. According to a study by Technavio on the global power rental market from 2016-2020, the rental gas generator segment was valued at \$846 million in 2015 and is expected to reach \$1.2 billion by 2020, growing at a CAGR of 6.7%.

“It is great to see another win for one of our newest distribution partners as they capitalize on the flexibility of our C1000 Signature Series product,” said Jim Crouse, Capstone’s Executive Vice President of Sales and Marketing. “With today’s high oil prices we continue to see expanding opportunities in the North American energy market as customer activity picks up and they continue to find value in our compact, quiet and reliable microturbines,” added Mr. Crouse.

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 DQS-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.

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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Source: Capstone Turbine Corporation