

Shanghai Electric Cable Research Institute Expands Strategic Alliance with American Superconductor

- -- Alliance Initially Focuses on Deployment of Superconductor Power Cable in Shanghai Grid
- -- Companies Aim to Establish Chinese Market for Superconductor Power Cables

DEVENS, Mass.--(BUSINESS WIRE)--Mar. 31, 2009-- American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, today announced that it has expanded its strategic alliance with Shanghai Electric Cable Research Institute (SECRI) and has received a new order for AMSC's high temperature superconductor (HTS) wire. SECRI will use the HTS wire to develop and manufacture a 30-meter-long, 35 kilovolt (kV) cable system. SECRI is the leading research, development and standardization institution for China's wire and cable industry and is one of two centers that test and certify power cables for China.

Under the terms of the expanded strategic alliance, AMSC will deliver HTS wire and provide consulting services to SECRI. SECRI will develop the cable system with support from the local Shanghai government.

"In addition to the transmission voltage superconductor cables we have been developing, we now are developing distribution voltage superconductor cable systems for the Chinese market," said SECRI's General Manager Wei Dong, "We are confident that our continued successful cooperation with AMSC will enable rapid adoption of superconductor cable systems. We expect the first superconductor cable deployment in China's power grid system to occur early in the next decade and that this will lead to widespread adoption of superconductor cables throughout China."

AMSC first formed a strategic business alliance with SECRI in 2006 to develop and promote the use of superconductor power transmission cables in China. Under the terms of the alliance, AMSC is the preferred supplier of HTS wire to SECRI and the recommended preferred HTS wire supplier to SECRI's cable manufacturing licensees for all superconductor cables. AMSC also is providing consulting services to SECRI for its superconductor power cable development program. AMSC and SECRI are now broadening their relationship to include distribution voltage cables. Under the expanded collaborative effort, the companies will jointly work to develop the Chinese market for SECRI's cable designs and cable manufacturing equipment expertise as well as AMSC's HTS wire. They will also develop localized HTS cable design and manufacturing capabilities to supply the Chinese market.

"We are pleased that SECRI continues to work together with AMSC to modernize China's power grid through the use of superconductor technology," said AMSC Superconductors' General Manager Dan McGahn. "SECRI is one of China's most respected power cable authorities and is a leader in advanced cable designs and technologies. We both see superconductor cables playing a pivotal role in distributing power in densely populated metropolitan centers such as Shanghai where a premium is placed both on space and power quality."

Power cables made with AMSC's HTS wire inside can conduct up to 10 times the amount of power of conventional cables, which are made with copper wire inside. They can be placed strategically in the power grid to draw flow from overtaxed conventional cables or overhead lines to mitigate grid congestion experienced in urban centers. They also can automatically suppress dangerous power surges to create resilient, 'self-healing' grids that can survive attacks and natural disasters making them an ideal modernization tool for metropolitan power grids.

About Shanghai Electric Cable Research Institute

Shanghai Electric Cable Research Institute (SECRI) was established in 1957 under the ministry of the Machine Building Industry as a center for scientific research, design, testing, information and trade affairs of the China Wire and Cable Industry. In 1999, SECRI was transformed into a Scientific and Technological enterprise under the State owned Assets Commission of Shanghai. Principle activities include R&D and processing of conductors and cables for High and Extra High Voltage, varieties of electrical installations and equipment for wires and cables, communication and optical fiber cables, and the development and enactment of the wire and cable standards in China. The Testing and Inspection Station for Cable & Wire (TICW) is recognized and accredited by international standards institutions worldwide, facilitating the international exchange and acceptance of product-safety test results among participating institutes. SECRI is also involved in the design and manufacture of specialized cable machinery and design and contracting of cable factory projects.

About American Superconductor (NASDAQ: AMSC)

AMSC offers an array of proprietary technologies and solutions spanning the electric power infrastructure – from generation to delivery to end use. The company is a leader in <u>alternative energy</u>, providing proven, megawatt-scale wind turbine designs and electrical control systems. The company also offers a host of <u>Smart Grid</u> technologies for power grid operators that enhance the reliability, efficiency and capacity of the grid, and seamlessly integrate renewable energy sources into the power infrastructure. These include superconductor power cable systems, grid-level surge protectors and power electronics-based voltage stabilization systems. AMSC's technologies are protected by a broad and deep intellectual property portfolio consisting of hundreds of patents and licenses worldwide. More information is available at <u>www.amsc.com</u>.

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Any statements in this release about future expectations, plans and prospects for the company, including our expectations regarding the future financial performance of the company and other statements containing the words "believes," "anticipates," "plans," ["]expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There are a number of important factors that could cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include: uncertainties regarding the company's ability to obtain anticipated funding from corporate and government contracts, to successfully develop, manufacture and market commercial products, and to secure anticipated orders; the risk that the increasingly uncertain global economic conditions could result in customers delaying or reducing purchases of our products; the risk that a robust market may not develop for the company's products; the risk that strategic alliances and other contracts may be terminated; the risk that certain technologies utilized by the company will infringe intellectual property rights of others; and the competition encountered by the company. Reference is made to these and other factors discussed in the "Risk Factors" section of the company's most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent the company's views as of the date of this release. While the company anticipates that subsequent events and developments may cause the company's views to change, the company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the company's views as of any date subsequent to the date this press release is issued.

Source: American Superconductor Corporation

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