

AMSC Receives Second D-VAR® Order for Chinese Power Grid

- Dynamic Reactive Compensation Solution to Meet Grid Interconnection Requirements for Guanting Wind Farm

- China's CMCEC Named AMSC's Second Channel Partner for the Chinese Power Grid Market

DEVENS, Mass., Aug 26, 2009 (BUSINESS WIRE) -- American Superconductor Corporation (NASDAQ: AMSC), a global energy technologies company, today announced that it has received its second order for a D-VAR system to meet dynamic reactive compensation requirements for the Chinese power grid. Beijing-based China National Machinery Industry Complete Engineering Corporation (CMCEC) will deploy the D-VAR system to meet local grid interconnection requirements for Phase I of the Guanting Wind Farm, located in the Beijing area. AMSC expects to deliver the D-VAR system to CMCEC by the end of calendar year 2009.

AMSC also announced that CMCEC has been named as the company's second channel partner for sales into China's power grid market. CMCEC is a large state-owned-enterprise, involved primarily in project contracting, import and export trade, and energy and environmental protection. CMCEC will install the D-VAR system in a 110 kilovolt (kV) electrical substation operated by the Beijing Energy Investment Holding Co Ltd. (Jingneng Group).

"China's wind power market continues to grow very rapidly," said Mr. Bai Sun, President of CMCEC. "This rapid growth has created a strong demand for grid interconnection solutions for wind farms. As a state-owned enterprise, it is our responsibility to facilitate the continued growth of China's wind industry to reduce CO₂ emissions, while at the same time ensuring that the power grid is functioning reliably."

Once all phases are complete, the Guanting Wind Farm will provide 150 megawatts of wind power generation for the local grid. The Beijing Electric Power Design Institute (BEPDI) - a division of China's State Grid Corporation responsible for transmission and distribution engineering - determined that the wind farm required dynamic reactive compensation. BEPDI was also involved in the design of the wind farm project.

"As a global energy technologies company, we are dedicated to providing our customers with the Smart Grid solutions necessary for reliable operation of 21st Century power grids," said John Wang, Vice President and General Manager of AMSC China. "Our D-VAR solution is recognized as the standard for wind farm grid interconnection around the world and is ideally suited to support China's rapidly growing wind power market."

AMSC customers utilize <u>D-VAR solutions</u> to provide voltage regulation and power factor correction, along with post-contingency assistance to stabilize voltage, relieve power grid congestion, improve electrical efficiency, and prevent blackouts in power grids. D-VAR reactive compensation systems are classified as Static Compensators, or "STATCOMs," a member of the FACTS (Flexible AC-Transmission System) family of power electronic solutions for alternating current (AC) power grids. These <u>Smart</u> <u>Grid</u> solutions are able to detect and instantaneously compensate for voltage disturbances by dynamically injecting leading or lagging reactive power into the power grid. AMSC has received orders for over 70 STATCOM power grid solutions worldwide, more than all other manufacturers combined. The company's STATCOM customers include more than 20 electric utilities and over 45 wind farms.

About China National Machinery Industry Complete Engineering Corporation

Founded in 1985, CMCEC is a comprehensive, large-scale foreign trade enterprise involved in international project contracting, import and export trade, real estate development, energy and environmental protection, national defense and military support equipment, and additional multiple industries. The company has an extensive background in global economic integration and innovation and is a member of the China National Machinery Industry Corporation controlled by the State-owned Assets Supervision and Administration Commission. CMCEC focuses on the internationalization of large-scale industrial machinery, corporate strategy, project contracting and international trade as its core business.

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: we have a history of operating losses, and we may incur losses in the future; a significant portion of our revenues are derived from a single customer, and a reduction in business with this customer could adversely affect our operating results; adverse changes in domestic and global economic conditions could adversely affect our operating results; changes in exchange rates could adversely affect our results from operations; our common stock may experience extreme market price and volume fluctuations, which may prevent our stockholders from selling our common stock at a profit and could lead to costly litigation against us that could divert our management's attention; if we fail to implement our business strategy, our financial performance and our growth could be materially and adversely affected; we may not realize all of the sales expected from our backlog of orders and contracts; many of our revenue opportunities are dependent upon subcontractors and other business collaborators, and a reduction in orders stemming from these companies could adversely affect our operating results; our products face intense competition, which could limit our ability to acquire or retain customers; our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; and our international operations are subject to risks that we do not face in the U.S., which could have an adverse effect on our operating results. Reference is made to these and other factors discussed in the "Risk Factors" section of the company's most recent guarterly or annual report filed with the Securities and Exchange Commission. In addition, any 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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