AMSC Receives First Order for Chinese Power Grid

-D-VAR® System to Provide Dynamic Reactive Compensation for Power Transmission Grid in Inner Mongolia
-Beijing SNTA Electric Power Technique Company Becomes First AMSC Channel Partner for the Chinese Power Grid Market

DEVENS, Mass.--(BUSINESS WIRE)--Jan. 6, 2009--American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, today announced that it has received its first order for a D-VAR system to meet dynamic reactive compensation requirements for a 220 kilovolt (kV) power transmission grid in Chifeng, Inner Mongolia, China. Reactive power compensation is necessary to stabilize voltage, relieve power grid congestion, improve electrical efficiency, and prevent blackouts in power grids.

Beijing SNTA Electric Power Technique Company, Ltd. (SNTA), which has ordered the 16 MegaVAR D-VAR system, is AMSC's first channel partner for the Chinese power grid market. SNTA will install the D-VAR system in the 220kV Xijiao substation, which is located in Chifeng and is operated by North East Power Grid (NEPG).SNTA is one of China's primary suppliers of low- and high-voltage reactive compensation products and turnkey power grid solutions.

The Xijiao substation is connected to seven wind farms that produce a combined 600 megawatts (MW) of power. The China Electric Power Research Institute, which is a part of China's State Grid Corporation and is responsible for transmission engineering, has determined that additional voltage support is required at the Chifeng Xijiao substation to maintain reliable operation of the power grid served by this substation and enable secure transmission of wind-generated electricity to load centers.

The contract between AMSC and SNTA was signed on December 31, 2008 in a ceremony at SNTA headquarters in Beijing. AMSC expects to deliver the D-VAR system to SNTA by mid 2009.

According to the International Energy Agency, China's power grid will require approximately US$1.5 trillion in investments by 2030.

"As China builds out and upgrades its power grid to meet the demands of its rapidly growing economy, it is seeking cutting-edge energy technologies that will meet these demands rapidly and in the most effective way possible," said Greg Yurek, founder and Chief Executive Officer of AMSC. "Our solutions meet these requirements, and we expect strong growth in the Chinese power grid market for many years to come."

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. They 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 60 STATCOM power grid solutions worldwide, more than all other manufacturers combined. The company's STATCOM customers include more than 20 electric utilities and 40 wind farms.

About American Superconductor (NASDAQ: AMSC)

AMSC is a leading energy technologies company offering an array of solutions based on two proprietary technologies: programmable power electronic converters and high temperature superconductor (HTS) wires. The company's products, services and system-level solutions enable cleaner, more efficient and more reliable generation, delivery and use of electric power. AMSC is a leader in alternative energy, offering licensed wind turbine designs and electrical systems. As the world's principal supplier of HTS wire, the company is enabling a new generation of compact, high-power electrical products, including power cables, grid-level surge protectors, Secure Super Grids™, motors, generators, and advanced transportation and defense systems. AMSC also provides utility and industrial customers worldwide with voltage regulation systems that dramatically enhance power grid capacity, reliability and security, as well as industrial productivity. The company'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 www.amsc.com.

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 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.

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