Major North American Energy Firm Adopts AMSC's Static VAR Compensator Solution

Distribution Voltage SVC Systems to Increase Performance of Major Oil Pipeline

DEVENS, Mass., Oct 29, 2008 (BUSINESS WIRE) -- American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, today announced that it has received an order for four distribution voltage Static VAR Compensator (SVC) solutions from one of North America's largest energy companies. All four systems will be used to improve pumping station performance for a major crude oil pipeline. AMSC will deliver the SVC systems during the first half of 2009 and also will provide start-up services and staff training.

The SVC systems will be deployed on an oil pipline that utilizes motors rated at 4,000 to 5,000 horsepower in its pumping stations to transport more than 400,000 barrels of crude oil per day. Starting motors of this size often causes momentary voltage drops that can shut the pipeline down and can cause power disturbances for other customers connected to the local power grid. As a result, oil and natural gas pipeline operators are often required to site pumping stations in very remote locations on the electric power system.

AMSC's SVC solutions eliminate voltage sags and flicker, giving electric utility companies and manufacturing operations a cost-effective way to safely connect large electrical loads to the local power grid. AMSC's SVC solution was selected to improve the performance of this oil pipeline because of its unique ability to increase siting flexibility, enhance pipeline throughput with larger motors and improve pump station uptime in remote locations with severe climates.

"Reliable, high-quality electric power is critical to the operation of oil and gas pipelines," said Timothy Poor, AMSC's Vice President of Global Sales and Business Development. "Our compact SVC allows pipeline operators the freedom to place large motors where required, avoid voltage sags and flicker and improve overall pipeline operating reliability. This technology requires minimal maintenance and is capable of operating in areas with extreme temperature conditions, making it ideal for the remote locations where oil and gas pipelines are typically sited."

AMSC's distribution voltage SVC systems are highly portable, modular and can be field-modified, thereby reducing the costs normally associated with upgrades. They routinely solve problems caused by starting large motors, metal shredders and crushers, sawmills, pump or pipeline stations, shipyards, coal mines, feed plants or kindred processes. AMSC's SVC systems also solve arc furnace flicker problems and are utilized to stabilize power transmission grids.

AMSC added its family of Static VAR Compensator (SVC) solutions to its product suite through the acquisition of Pennsylvania-based Power Quality Systems, Inc. (PQS) in 2007. Combining PQS's proprietary thyristor switch technology with AMSC's advanced power grid interface and controls technology created a highly scalable SVC solution that is being utilized by electric utilities at both distribution and transmission voltages. In addition to distribution-level SVCs, AMSC offers turnkey transmission-level SVC solutions that are able to handle several hundred megaVAR of reactive compensation for wide-area voltage stability. AMSC also offers a pad-mounted, distribution-level Static VAR Compensator solution (dSVC™) specifically designed for use on electric utilities' underground distribution circuits.

For more information about AMSC's SVC solutions, visit: http://www.amsc.com/products/powerQuality/index.cfm.

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 grid interconnection solutions as well as licensed wind energy 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™ technology, 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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