



AMSC Announces Increasing Adoption of Its SVC Solution for Industrial Applications

Five New Customers Adopt Solution to Increase Industrial Productivity Across Diverse Markets

DEVENS, Mass.--(BUSINESS WIRE)--July 1, 2008--American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, today announced multiple orders for the company's Static VAR Compensator (SVC) solution. AMSC added the SVC solution to its suite of advanced electrical products through the acquisition of Pennsylvania-based Power Quality Systems, Inc. (PQS) in 2007. This latest series of orders includes the addition of five new customers, representing a diverse range of industrial applications.

Combining PQS's proprietary thyristor switch technology with AMSC's advanced controls technology created a highly scalable SVC system that is being utilized at both transmission and distribution voltages. The scalability of this product allows AMSC to provide large, 100-plus megaVAR (MVAR), transmission-level SVC solutions tailored for enhancing power grid reliability. It also allows AMSC to offer smaller scale solutions that enhance the quality of electric power in industrial environments.

Our advanced SVC system holds voltages steady in a wide variety of situations, said Timothy Poor, AMSC's Vice President of Global Sales and Business Development. Electric utilities can turn to SVCs to eliminate voltage sags and flicker, enabling them to connect large, problematic electrical loads to the local power grid while maintaining high reliability. In addition, industrial companies can utilize our SVC solution to eliminate power disturbances, increase their productivity and improve their product quality.

SVC solutions solve a variety of utility grid reliability problems, helping to maintain stable system operation. SVCs also provide a more stable voltage supply to large industrial facilities that routinely operate large motors, metal shredders, crushers, pumps and pipelines. The solution also cures challenging arc furnace and welding flicker, and addresses voltage problems stemming from sawmills, shipyards, mines, feed plants and similar industrial operations.

Two AMSC distribution-voltage-class SVC systems were recently purchased by a large North Carolina-based investor-owned electric utility for installation at its customers' industrial sites. These purchases were the result of the utility's ongoing practice of routinely considering the use of SVCs to maintain the high reliability of its transmission and distribution grid.

Additional recent customers include:

- A Texas-based natural gas utility is using an AMSC SVC solution to increase natural gas collection in a remote, rural area, eliminating the need to build a new transmission line to service a single customer.
- A recycler in the Western U.S. purchased an AMSC SVC system to increase its capacity to recycle metals profitably. Application of SVCs in shredding applications is becoming increasingly common.
- A distributed independent electrical generator selected an AMSC SVC to allow it to meet utility connection standards while operating at full output. Advanced SVCs from AMSC are an effective way for distributed energy generators to meet grid voltage stability requirements.

For more information about AMSC's industrial power quality 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.

American Superconductor and design, Revolutionizing the Way the World Uses Electricity, AMSC, Powered by AMSC, SuperVAR, D-VAR, DVC, PQ-IVR, PowerModule, PQ-SVC, Secure Super Grids, Windtec and SuperGEAR are trademarks or registered trademarks of American Superconductor Corporation or its subsidiaries.

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.

CONTACT:

American Superconductor Corporation (NASDAQ: AMSC)

Jason Fredette, 978-842-3177

Director of Investor & Media Relations

jfredette@amsc.com

SOURCE: American Superconductor Corporation