

AMSC RECEIVES FOURTH D-VAR® SYSTEM ORDER FOR POWER GRID IN CHINA

- *China Southern Power Grid Company Adopts D-VAR Solution to Increase Grid Reliability*
- *Xiamen Red Phase Instruments Inc. Becomes Channel Partner for AMSC*

DEVENS, Mass. – January 11, 2010 – American Superconductor Corporation (NASDAQ: AMSC), a global power technologies company, today announced that it has received a new D-VAR system order to increase the reliability of a portion of the power grid in China operated by China Southern Power Grid Company Ltd., which is one of the two State Owned Enterprises that operate all of China’s power grids. Xiamen-based Xiamen Red Phase Instruments Inc. (Red Phase) will deploy the D-VAR system at the 220 kilovolt (kV) Yuanmo substation in Chuxiong in the Yunnan Province of China.

AMSC also announced that Red Phase has been named a channel partner for the power grid market in southern China. This is the second D-VAR system order AMSC has received from Red Phase and the fourth power grid order AMSC has received in China over the past 12 months. AMSC expects to deliver the D-VAR system to Red Phase by the end of July 2010.

“We are very pleased to see that our D-VAR system is being accepted by an increasing number of Chinese customers for solving their power quality, wind farm interconnection and voltage stability issues,” said Greg Yurek, founder and chief executive officer of AMSC. “Just one year ago, we generated our first sale in China’s sizable power grid market, and that initial showcase installation has now been followed by several additional orders. This is a strong validation of our smart grid solutions and is just the tip of the iceberg in terms of the opportunities we see ahead in China.”

“We are confident that this solution will perfectly address China Southern Power Grid’s power quality issues in Chuxiong,” said Yang Cheng, chief executive officer of Red Phase. “We also believe there are many more such opportunities in China for similar D-VAR solutions, and we look forward to addressing those opportunities with AMSC.”

AMSC customers utilize [D-VAR solutions](#) 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 [Smart Grid](#) 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 80 STATCOM power grid solutions

worldwide, more than all other manufacturers combined. The company's STATCOM customers include more than 20 electric utilities and over 50 wind farms.

[About Xiamen Red Phase Instruments Inc.\(Red Phase\)](#)

Red Phase is involved in energy metering and testing, power quality detection, monitoring, substation and power system operation testing (monitoring) equipments, electrical products R & D, production and sales etc. More information, please visit www.redphase.com.cn.

[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 [alternative energy](#), providing proven, megawatt-scale wind turbine designs and electrical control systems. The company also offers a host of [Smart Grid](#) 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 www.amsc.com.

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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 quarterly 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.

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