

AMSC AND LS CABLE EXPAND SUPERCONDUCTOR POWER CABLE STRATEGIC ALLIANCE

- *Companies Jointly Seeking More Than 50 Kilometers of Commercial Superconductor Power Cable Deployments Over the Next Five Years*
- *LS Cable Pursuing International Supply Contracts for AC and DC Superconductor Power Cables*

DEVENS, Mass., U.S. and SEOUL, Korea – March 24, 2010 – American Superconductor Corporation (NASDAQ: AMSC), a global power technologies company, and LS Cable Ltd. (LS Cable), the third largest power cable manufacturer in the world, today announced that they have expanded their superconductor power cable strategic business alliance. Under the new agreement, LS Cable and AMSC will work collaboratively to deploy more than 50 kilometers (km) (31 miles) of superconductor power cables in commercial power grids over the next five years. The original alliance, [established in September 2009](#), called for the deployment of a minimum of 10 km (6.2 miles) of superconductor power cables during that same period.

The agreement was reached [at a meeting in Devens, Massachusetts](#) attended by LS Cable President and Chief Executive Officer Jongho Son and AMSC President and Chief Operating Officer Dan McGahn. Korea Electric Power Corporation (KEPCO) Vice President J.W. Chang was present to witness the signing. KEPCO is South Korea's only power distributor. The strategic alliance focuses on the full spectrum of superconductor cable projects, including distribution and transmission voltages as well as alternating current (AC) and direct current (DC) systems. Superconductor power cable systems manufactured by LS Cable will utilize AMSC's proprietary second generation (2G) high temperature superconductor (HTS) wire, branded as [344 superconductors](#).

“LS Cable is focused on developing and implementing world-class technologies to both meet the evolving energy needs of today's economy and provide the infrastructure necessary to support tomorrow's growth,” said LS Cable's Jongho Son. “Superconductor cables offer unique power density, efficiency and security advantages compared to conventional power cables and will play a key role in providing the necessary backbone to support the Smart Grid in Korea and locations around the world. We are pleased to expand this important strategic alliance with AMSC.”

Power cables made with AMSC's [HTS wire](#) can conduct up to 10 times the amount of power of conventional cables, which are made with copper wire. They can be placed strategically in the power grid to draw flow from overtaxed conventional cables or overhead lines to mitigate grid congestion experienced in urban centers. They also automatically suppress dangerous power surges to create resilient, 'self-healing' [Smart Grids](#) that can survive attacks and natural disasters, making them an ideal modernization tool for metropolitan power grids.

“LS Cable, which is one of the world's leading and most innovative power cable manufacturing firms, continues to demonstrate its commitment to advancing the commercialization of superconductor cables as a best-in-class solution to meeting the growing and evolving power demands of the 21st Century,” said Dan McGahn of AMSC. “Our companies share this common

vision and see tremendous opportunities for commercial deployments of transmission and distribution superconductor cable systems around the world.”

[In April 2009](#), AMSC received its first commercial order from LS Cable for approximately 80,000 meters (50 miles) of its 344 superconductors to manufacture a 22.9 kV cable system that will be installed in KEPCO's Icheon substation near the city of Seoul later in 2010. Capable of carrying 50 megawatts of power, the cable system will be nearly a half mile in length, making it the world's longest distribution-voltage superconductor cable system.

J.W. Chang of KEPCO said, “KEPCO has embarked on an ambitious plan to make Korea's power grid the world's cleanest and most efficient. We are utilizing various technologies to realize our vision for a ‘[Smart Green Utopia](#).’ Chief among these is superconductor power cables. We look forward to energizing the first of these cables in our power grid later this year and to beginning our commercial adoption phase in 2012 with the assistance of LS Cable and AMSC.”

Korea Implementing the World's Smartest Grid

In 2009, South Korea's government announced plans to be the first country to convert its entire electricity network to Smart Grid technologies. The project is estimated to cost approximately US\$25 billion.

As part of its “KEPCO2020” Mid-to-Long-Term Strategic Management plan, KEPCO has identified the Smart Grid as the utility's next growth engine and is concentrating its research and development on eight “[Green Technologies](#),” including High Voltage Direct Current (HVDC) and superconductor technologies. These technologies will be used to implement KEPCO's “[Smart Green Utopia](#)” in Korea by 2020. KEPCO also is looking to expand its Smart Grid business to foreign markets. In 2009, the South Korean government announced plans to boost the country's domestic industries to capture 30 percent of the global Smart Grid market.

[About LS Cable](#)

LS stands for “Leading Solution.” LS Group, Korea's 17th-largest conglomerate, is leading the industry of energy and telecommunications systems. LS Cable, the flagship company of the conglomerate, is a global provider of cables and systems for the power and telecommunications industry. LS Cable also leads high-technology programs like high temperature superconducting cable and submarine power transmission cable. LS Cable has 17 subsidiaries and 40 operations in 17 countries. More information is available at <http://www.lscable.com>.

[About Korea Electric Power Corporation \(KEPCO\)](#)

KEPCO is South Korea's sole power distributor, serving 13 million households. The company has six power generating subsidiaries and four affiliates, is one of the top 10 power generation companies in the world with a power capacity of 64,583 MW (primarily from thermal and nuclear plants). KEPCO has successfully achieved a world-class standard of energy quality by reducing the blackout time per household to 16.1 minutes and transmission & distribution loss rate to 4.01%. KEPCO recently won orders for a total 2,897 MW worth of thermal power generating projects in Saudi Arabia, Jordan, and Kazakhstan. Recently, KEPCO has been awarded a contract for a 5,600 MW nuclear power generation plant in the United Arab Emirates

(UAE). The company had total assets of 66.9 trillion won in 2008. KEPCO's annual overseas sales exceeded 500 billion won in 2008 for the first time since its establishment. The Korean government controls 51% of Korea Electric Power. More information is available at <http://www.kepco.co.kr/eng/>.

[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 [renewable 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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