

**AMSC SUCCESSFULLY COMPLETES FACTORY ACCEPTANCE
TESTING OF 36.5 MEGAWATT HIGH TEMPERATURE
SUPERCONDUCTOR PROPULSION MOTOR FOR U.S. NAVY**

*- Motor Ready to be Delivered to Navy
- HTS Advantages Expected to Radically Alter Military and Civilian Ship Designs*

PHILADELPHIA – March 28, 2007 – American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, and its strategic partner, Northrop Grumman (NYSE: NOC), announced today the successful completion of factory acceptance testing for the world’s first 36.5 megawatt (49,000 horsepower) high temperature superconductor (HTS) ship propulsion motor at Northrop Grumman’s facility at the Philadelphia Naval Business Center. This is the final milestone before the Navy takes possession of the motor.

The motor was designed, developed and manufactured under a contract from the U.S. Navy’s Office of Naval Research (ONR) to demonstrate the efficacy of HTS primary-propulsion-motor technology for future Navy all-electric ships and submarines. The power and torque of this HTS motor is comparable to the requirements for the Navy’s new Zumwalt class of destroyers, known as DDG 1000. In comparison with the conventional copper motors being used on the first two DDG 1000 hulls, the HTS motor is less than one-half the size and weight, and is more efficient over a much wider range of ship speeds. This results in weight and space advantages, enabling an increase in payload capacity for both naval and commercial vessels.

“This is a truly historic day for the marine industry as we usher in a new era of propulsion technology that enables a revolution in ship design,” said Greg Yurek, founder and chief executive officer of AMSC. “The much smaller size, substantial reduction in weight and higher fuel efficiency of these machines is dramatic. These features enable new hull forms, lighter and more efficient designs of propulsion pods, higher speeds, less fuel consumption, and more space for cargo, passengers and munitions. In addition, HTS propulsion motors are far quieter than conventional machines. These are all highly desirable advantages for ship owners and operators – both military and civilian.”

AMSC designed the motor, manufactured the HTS wires and built the electromagnetic rotor coils, as well as the cryogenic and control systems for this ship propulsion motor. It subcontracted the manufacture and assembly of all other components of the machine to companies such as Ranor, Inc. in Massachusetts and Electric Machinery Company in Minneapolis. Northrop Grumman’s Marine Systems business unit performed overall systems engineering, analysis and assessment to meet key military ship requirements; designed and built the motor frame; and completed the final assembly of the motor system at the Philadelphia Naval Business Center. AMSC and Northrop Grumman jointly conducted the factory acceptance testing of the fully assembled motor system.

“We are delighted with our team’s clear success in demonstrating the world’s first 36.5 megawatt HTS propulsion motor,” said David Perry, vice president of Northrop Grumman’s Sunnyvale, California-based Marine Systems business unit. “Northrop Grumman prides itself in offering the best naval products and technologies. With its compelling size, weight and mission payload advantages, the HTS motor is in this elite product class. We look forward to our continued partnership and additional successes with AMSC and the Navy.”

To learn more about the advantages of HTS over copper motors, please see <http://www.amsuper.com/products/motorsGenerators/shipPropulsion.cfm>.

“The outsourcing model we have utilized for the fabrication of HTS rotating machines such as ship propulsion motors has served us well,” Yurek said. “We expect to utilize this outsourcing model for the production of all of our future HTS motors, generators, synchronous condensers, industrial motors and wind generators. In certain cases and geographies, we expect to license our designs and extensive patent portfolio for HTS rotating machines to customers who can manufacture these products utilizing our HTS electromagnetic coils.”

Yurek added, “We will now deliver this state-of-the-art motor to the U.S. Navy so they can complete planned full-load testing. The successful completion of the factory acceptance testing of the 36.5 MW HTS motor means that we can now finalize a separate contract we received from Naval Sea Systems Command (NAVSEA) for a militarized version of the HTS propulsion motor and compete for contracts for the procurement of HTS ship propulsion motors and generators for the DDG 1000 and CG(X) surface combatant ships. We believe our success in this program will lead to widespread adoption of HTS motors among large-scale naval and commercial vessels.”

To learn more about the 36.5 MW motor, please visit the American Superconductor (Booth #4005) and Northrop Grumman (Booth #3105) displays at the Navy League Sea-Air-Space Exposition in Washington DC from April 3rd through 5th.

About Northrop Grumman

Northrop Grumman Corporation is a \$30 billion global defense and technology company whose 122,000 employees provide innovative systems, products, and solutions in information and services, electronics, aerospace and shipbuilding to government and commercial customers worldwide.

About AMSC

AMSC (American Superconductor Corporation - NASDAQ: AMSC) is a leading energy technologies company. The company develops and sells a wide range of products and solutions based on power electronic systems and high temperature superconductor (HTS) wires that dramatically improve the efficiency, reliability and quality of electricity during its generation, transmission, distribution and use. The company is a dominant force 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, AMSC is

enabling a new generation of compact, high-power electrical products, including motors, generators, power cables, grid-level surge protectors, 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.amsuper.com.

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