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Capstone Turbine Corporation Signs First Service Contract Providing Plant Operations; Total Long-Term Service Backlog Increases From \$17 Million to Over \$25 Million in 14 Months

CHATSWORTH, Calif., Jan. 20, 2011 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced that it has signed a new C1000 Factory Protection Plan (FPP) service contract in the Dominican Republic for an installation at an all-inclusive luxury resort that includes a plant operator.

The FPP contract is valued at approximately \$1.0 million over the 9-year period and includes an onsite operator for the first year of the contract. This is the first Capstone FPP contract to include plant operations in addition to the scheduled and unscheduled maintenance of the microturbine. "As Capstone moves into the multiple megawatt power market it's important that Capstone offer total plant operations if required by the end use customer," stated Capstone's President and Chief Executive Officer, Darren Jamison. "It is very common in our industry that projects in remote locations or projects above 3 megawatts require some level of onsite plant operations," added Jamison.

Capstone's FPP backlog as of January 15, 2011 was approximately \$25 million, up from \$17 million in November 2009. "With this contract the total number of microturbine systems under Factory Protection Program is fast approaching 650 units," said Shelby Ahmann, Capstone's Senior Vice President of Customer Service. "Our goal, as stated previously, is to have as many of our new products as possible under a FPP to guarantee product performance and system reliability," added Ahmann.

"I am pleased to further expand Capstone's already unprecedented FPP offering, as it provides us a long-term recurring revenue stream and keeps us close to our customers and the performance of our product," stated Jamison. "Life cycle costs and emissions are the cornerstones of our value proposition, and with an FPP and a factory trained operator our customers can rest assured that maintenance expenses will not exceed their budget and plant up time will be at the highest level possible. Capstone is unique in its ability to guarantee with confidence the overall reliability and performances of our new megawatt scale products," added Jamison.

Capstone launched the FPP program approximately three years ago. Typical FPP service contracts vary in length from a minimum of one year to a maximum of 15 years with most FPP contracts covering between five and nine years. Customer payments are generally

received quarterly in advance over the term of the FPP.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST) is the world's leading producer of low-emission microturbine systems, and was the first to market commercially viable microturbine energy products. Capstone Turbine has shipped over 5,000 Capstone MicroTurbine(R) systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone Turbine is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A UL-Certified ISO 9001:2008 and ISO 14001:2004 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the New York Metro Area, Mexico City, Nottingham, Shanghai and Singapore.

The Capstone Turbine Corporation logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=6212>

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about revenue growth and the growth of our factory protection plan, product performance, system reliability and reduced costs. Forward-looking statements may be identified by words such as "expects," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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