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Capstone Announces New Distributor Agreement for the Oil and Gas Sector in Western Canada

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading manufacturer of microturbine energy systems, today announced the signing of a new Distributor agreement with Tarpon Energy Services Ltd. (www.tarponenergy.com) for the oil and gas sector in western Canada.

Headquartered in Calgary, Alberta, Tarpon is a young and progressive energy services company that specializes in offering an integrated suite of products and expertise. Since its incorporation in 2003, Tarpon has grown a team of dedicated professionals that's more than 1,200 strong with 25 field locations across western Canada, three manufacturing facilities, and clients around the world. Tarpon has a breadth of products and services for a range of industries such as oil and gas, oil sands and mining.

"Tarpon Energy Services continues to offer a comprehensive suite of turnkey products and services to its customers," said Jim Crouse, Executive Vice President, Sales & Marketing. "With their recent acquisitions of Orban Industries and Canfer Rolling Mills, they can now offer their customers a total solution from design to fabrication, installation, maintenance and repair."

"Signing this agreement with Tarpon Energy Services is critical as it enables distribution of our products into western Canada's oil and gas business," said Darren Jamison, Capstone's President and Chief Executive Officer. "Tarpon is a company that is committed to supplying high quality products and services and continually strives to improve performance by understanding their clients' exact requirements. In addition, the company recognizes the importance of environmental protection in all areas of their business and adheres to industry guidelines and pertinent government legislation in all of their operations," added Jamison.

"As Tarpon completed 2006 with outstanding results, we demonstrated our position as a growth company by taking top honors in two prestigious competitions - Canada's 50 Best Managed Companies and Alberta Venture's Fast 50. In order to qualify as one of Canada's 50 Best Managed Companies, we were judged on four strengths: strategy, capability, commitment and financials," said Mark Fleury, Director of Tarpon Energy Services, Ltd., Power & Leasing. "Capstone Turbine Corporation's leadership in clean and green microturbine solutions for the oil and gas industry and its continuing commitment to develop quality products, make them an ideal partner," added Fleury. "We are looking forward to working together for a successful long-term relationship between our two companies."

Tarpon Energy Services and Capstone Turbine Corporation recently participated in the world's largest Oil Sands Trade Show and Conference in Edmonton, Alberta, Canada on September 19-20, 2007.

About Capstone Turbine

Capstone Turbine Corporation (www.microturbine.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 4,000 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 9001:2000 certified company; Capstone Turbine is headquartered in the Los Angeles area with sales and/or service centers in New York, Mexico City, Milan, Nottingham, Shanghai and Tokyo.

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This press release contains "forward-looking statements," as that term is used in the federal securities laws, about new sales opportunities for Capstone in the oil and gas sector, in particular, in western Canada and a successful long-term relationship between Capstone and Tarpon Energy Services Ltd. 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.

Source: Capstone Turbine Corporation