

May 24, 2010



Capstone Turbine Corporation Selected by U.S. Department of Energy to Develop a 42% Efficient 370kW Microturbine

CHATSWORTH, Calif., May 24, 2010 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has received notice of grant awards by the U.S. Department of Energy (DOE) to participate in a development program valued at \$5 million.

The goal of the U.S. Department of Energy program is to develop a more efficient microturbine Combined Heat and Power (CHP) system and is part of a CHP Technology Development and Demonstration program managed by the DOE's Energy Efficiency and Renewable Energy Office. Part of the improved efficiency will come from a revolutionary microturbine design, with a projected electrical efficiency of 42% and power output of 370kW.

The new microturbine design will be combined with an integrated heat recovery system to provide a total system efficiency of 85%. As with other Capstone microturbines, the new microturbine will be designed to meet the most stringent emissions standards of the California Air Resources Board (CARB), making it usable essentially anywhere in the world.

The two year DOE program will total almost \$17 million, with the DOE supporting the program with \$5 million in funding. Capstone is the prime contractor for this program and will rely on support from Oak Ridge National Laboratories and NASA.

"Capstone is honored that the U.S. Department of Energy has chosen to provide this grant for future Capstone products as it further solidifies Capstone's microturbine technology in the clean combined heat and power market space," said Darren Jamison, Capstone President and CEO. "I am pleased that Capstone was selected by the DOE to negotiate a final award agreement, as this program will lead to our next generation product beyond our very competitive C200 and C1000 products and should further accelerate the market adoption of Capstone's ultra low emission products," added Jamison.

Extending the power rating of a single microturbine to 370kW will allow larger integrated package ratings, and further expand Capstone's successful C1000 packaged offering into current and new markets.

"The higher output, increased efficiency product is on our critical product development path as it will lead to a lower cost per megawatt scale solution with increased efficiencies that drive improved customer economics," said Jim Crouse, Executive Vice President of Sales and Marketing. "This new higher efficiency microturbine will greatly strengthen our position in

the CHP market, and will also increase the Capstone value proposition in other market segments that benefit from high electrical efficiency. This program should positively impact essentially every market segment we operate in today," added Crouse.

"The DOE was supportive of our C200 product development and CARB certification of our C65 product operating on natural gas, and is currently supporting a program to develop a fuel flexible microturbine able to operate on agricultural syngas and other high hydrogen content fuels," stated Mark Gilbreth, Capstone's Chief Technology Officer and Executive Vice President Operations. "Success of this new high efficiency microturbine program provides Capstone the opportunity to exceed the performance level of current competition from reciprocating engines and other turbine competitors," added Gilbreth.

This award is subject to completion and execution of contracts and sub-contracts with the various parties involved in carrying out the product development programs. Failure to complete these agreements could preclude Capstone from participating in a final award.

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, among things, the receipt of a DOE award grant, Capstone's ability to develop a more efficient microturbine and comply with certain air quality regulations, and Capstone's ability to improve customer economics and strengthen its position in the marketplace. 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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