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# Capstone Turbine Corporation and BPC Engineering Execute MOU With Tatneft Oil for 16.2MW of Associated Gas to Energy Projects

CHATSWORTH, Calif., Dec. 14, 2011 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean-technology manufacturer of microturbine energy systems, today announced it has executed a Memorandum of Understanding (MOU) with BPC Engineering and Tatneft Oil to purchase 38 microturbines totaling 16.2MW for multiple associated gas to energy projects in Tatarstan, Russia. In addition, the agreement includes an option for an additional 20MW under the same terms and conditions if ordered by Tatneft before December 31, 2012.

Tatneft is a Russian vertically integrated oil and gas company with headquarters in the city of Almetyevsk, in the Republic of Tatarstan. Tatneft is the sixth largest oil company in Russia and employs more than 70,000 individuals across Russia.

The MOU outlines the three party's responsibilities, commitments, pricing and terms for the 16.2MW of microturbines to be shipped over an expected two-year period and the option for the parties to add an additional 20MW by the end of 2012. The agreement comes just three months after the companies met with Tatarstan President Rustam Minnikhanov who declared that Tatarstan's oil companies and specifically Tatneft will be deploying Capstone microturbines and Capstone Organic Rankin Cycle (ORC) CC 125 machines for associated gas to energy projects. The MOU also includes the purchase and installation of a pilot ORC CC125 to be installed in early 2012. The decision to deploy additional CC125 units will be determined after a full evaluation of the initial pilot installation.

Tatarstan is one of the most economically developed regions of Russia. The republic is highly industrialized and ranks second only to Samara Oblast in terms of industrial production per square kilometer. The region's main source of wealth is oil as Tatarstan produces 32 million tons of crude oil per year and has estimated oil reserves of more than 1 billion tons. Industrial production constitutes 45% of the Republic's gross regional domestic product.

"Capstone distribution partner BPC engineered and installed the first C30 on associated gas in a Tatneft oil field almost four years ago and recently received orders for three C65s and a C600 in the same field," stated Darren Jamison, Capstone's President and Chief Executive Officer. "It was great to meet with President Minnikhanov back in September, see his commitment to our unique technology and in just three short months sign an MOU for 16.2MW over the next two years," added Jamison.

The objective of the microturbine and ORC deployment is to increase the level of associated gas utilization in Tatarstan's oil fields in compliance with the Russian government's resolution and declaration to decrease atmospheric pollution from gas flaring dated January 8, 2009. Associated gas utilization for power will allow Russian Oil and Gas customers to avoid emissions penalties and to significantly reduce power costs at the oil field level. The electricity generated by the microturbines covers nearly all the energy needs of the oil field and allows the site to use the electric grid as a backup power source for peak loads. This configuration not only increases reliability, but also decreases the cost of electricity substantially when compared with the local electric utility rates.

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 6,000 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 use of our products with associated gas, reduced costs, increased reliability, compliance with government regulations, demand for our products in Russia and the success of BPC as our distributor. 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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