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Capstone Expands Distribution in US with California Power Partners

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced the signing of a Distributor Agreement with California Power Partners, Inc. California Power Partners offers engineered solutions and applications for on-site power generation which improve the customers' bottom line operational costs, reliability and sustainability.

Headquartered in Escondido, California, with offices in Boston, Massachusetts, California Power Partners will focus on the renewables market in Arizona, Nevada, Washington, Oregon and Hawaii in the west, and Maine, Vermont, New Hampshire, Massachusetts, Rhode Island and Connecticut in the east. They will also offer combined heat and power and combined cooling heat and power solutions in the east and combined heat and power solutions in selected California markets.

"The addition of California Power Partners is another positive step in strengthening our US distribution network," said Darren Jamison, Capstone's President and Chief Executive Officer. "California Power Partners is an industry innovator with a proven track record of delivering independent energy solutions, faster payback, and superior maintenance to commercial buildings, corporate and academic campuses, manufacturing facilities, hotels and resorts, municipalities, and mid- to large-scale service organizations," added Jamison.

"At California Power Partners, we pride ourselves on our team of seasoned professionals who have the skills and capabilities that are well suited to the emerging technology markets, consistent with our products and services," said Tom Moore, California Power Partners President and Chief Executive Officer. "Most importantly, our equipment recommendations are based on our assessment of best-in-class performance for the technology. We believe that Capstone's leadership as a clean technology manufacturer of proven and reliable equipment will be an excellent addition to our current business. We are looking forward to a successful long-term relationship between our two companies," added Moore.

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 four thousand units of 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.

"Capstone Turbine Corporation" and "Capstone MicroTurbine" are registered trademarks of Capstone Turbine Corporation. All other trademarks mentioned are the property of their respective owners.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about new sales opportunities for Capstone and a successful long-term relationship between Capstone and California Power Partners. 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