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Capstone Turbine Signs Agreement to Supply Its Proprietary Air Bearing Technology to Barber-Nichols

CHASTSWORTH, Calif.--

Capstone Turbine Corporation (NASDAQ:CPST) (www.microturbine.com), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has signed a supply agreement with Barber-Nichols, Inc. for Capstone's air bearing technology for use in non-competitive equipment manufactured and sold by Barber-Nichols.

Under the terms of the agreement Capstone will be the exclusive supplier for air bearing technology to Barber-Nichols. Barber-Nichols will have the right to incorporate Capstone air bearing components in non-competing applications and products it designs, manufactures, and sells. Barber-Nichols is not authorized to resell or provide maintenance on air bearings for Capstone or third party equipment. Barber-Nichols is authorized to use the Capstone name, logo, and agrees to reference Capstone's air bearing technology for advertising and promote its products.

Founded in 1966 with headquarters in Arvada, Colorado, Barber-Nichols specializes in the designing, engineering, manufacturing, and testing of specialty turbomachinery products. Since inception, Barber-Nichols has been combining innovation with technical expertise to solve problems in a growing array of diverse markets. Products include blowers, compressors, fans, pumps, turbines, and turbopumps for aeronautic, cryogenic, national defense, power generation, space flight, and automotive applications.

Capstone has invested in the development of its patented air bearing technology and gained valuable real world experience which may be applied to other applications. "We believe that these air bearings are scalable and well suited for a number of non-competing applications including compressors, turbochargers, auxiliary power units, and aircraft engines," said Mark Gilbreth, Executive Vice President and Chief Technology Officer, Capstone Turbine Corporation.

Capstone manufactures low maintenance microturbine power generators with a single rotating shaft supported by its patented air bearing technology. Operating on air bearings eliminates the need for maintenance items such as oil lubrication, reduces wear which extends operating life, and allows for higher rotating speeds enabling equipment to be smaller, lighter, and lower cost.

"We have seen the benefits of air bearing technology demonstrated in Capstone microturbine equipment and believe the technology and experience can bring value to our products and customers," said Bob Linden, Vice President, Barber-Nichols.

"Capstone has made a significant investment in air bearing technology and this agreement allows us to better leverage our technology. The combined Barber-Nichols and Capstone ingredient branding strategy should improve brand recognition and market adoption of our products," said Darren Jamison, President and Chief Executive Office, Capstone Turbine Corporation.

About Capstone Turbine Corporation

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 and ISO 14001:2004 certified company, Capstone Turbine is headquartered in the Los Angeles area with sales and/or service centers in New Jersey, New York, Mexico City, Milan, Nottingham, Shanghai and Tokyo.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about new product development opportunities with Barber-Nichols. 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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Source: Capstone Turbine Corporation