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Capstone Receives Milestone Payment from UTC Power for C200 Microturbine Build

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading manufacturer of microturbine energy systems, today announced that it has received payment from UTC Power, a United Technologies Corp. (NYSE:UTX) company, for completion of the "Microturbine Build" milestone as part of the 200kW microturbine development and commercialization program.

The "Microturbine Build" milestone marks the completion of five of the six milestones that were outlined as part of a development agreement. To date, Capstone has received a total of \$10.5 million of the \$12.0 million owed under the development agreement.

Capstone delivered a complete low-pressure, dual-mode C200 microturbine system to UTC Power that met the performance specifications outlined in the agreement. The system was subsequently delivered to UTC Power for integration with its PureComfort(R) absorption chiller and further reliability demonstration testing.

"As part of the development agreement, Capstone received engineering support from UTC Power. The support provided a rich background of expertise to the development program," said Mark Gilbreth, Executive Vice President and Chief Technology Officer, Capstone Turbine Corporation.

"I am very encouraged that we continue to be on schedule with this very critical program," said Darren Jamison, President and Chief Executive Officer, Capstone Turbine Corporation. "We were able to ship the first commercial C200 ahead of schedule on Aug. 28 and deliver the UTC Power unit as part of the Development Program in early September. We are now focused on commercial deliveries and increasing production rates to meet strong customer demand."

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 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.

About UTC Power

United Technologies Corp., based in Hartford, Connecticut, provides high-technology products and services to the building and aerospace industries. Its UTC Power unit, based in South Windsor, Connecticut, is a full-service provider of environmentally advanced power solutions. With 50 years of experience, UTC Power is the world leader in developing and producing fuel cells for on-site power, transportation, space and defense applications, as well as a leader in innovative, renewable energy solutions and combined cooling, heating and power applications for the distributed energy market.

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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 particular, with the development, commercialization, and sale of the C200 microturbine system, the advantages of the C200 microturbine system and increased production rates. 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