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Capstone Announces New Original Equipment Manufacturer (OEM) Agreement

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading manufacturer of microturbine energy systems, today announced the signing of a new Original Equipment Manufacturer (OEM) Agreement with Stellar Energy Systems (www.stellar.net), and strategic partner MAS Global (www.mas-global.com). Together, Stellar and MAS Global offer the turnkey supply of distributed generation solutions internationally.

The Stellar-MAS Global team offers distributed generation systems that are based on standardized building blocks that can be combined to meet each customer's specific electric power and thermal requirements. Mike Solms, President of MAS Global, comments, "We view the systems that we offer as 'products' due to the standardization of design and the nature in which they are constructed. The product orientation that we have enables us to utilize a formatted approach to delivering distributed generation systems that are the same every time. This allows us to identify and utilize best practices in the design and delivery of every distributed generation system that we provide."

Stellar is headquartered in Jacksonville, Florida and has international business operations in the Americas, Europe, the Middle East and Asia. Stellar serves the market in the Americas from its Jacksonville, Florida headquarters and more than 20 service locations throughout the United States. Stellar serves the Middle East market from its office in Dubai, United Arab Emirates (UAE) and the European and Asian markets through strategic business relationships.

"The OEM team of Stellar and MAS Global is a very powerful combination that brings exceptional systems design and packaging capabilities to deliver distributed generation systems based on Capstone MicroTurbines", said Darren Jamison, Capstone's President and Chief Executive Officer. "Stellar is a premier international engineering, construction and mechanical services firm that delivers turnkey utility related facilities and systems. Based on Stellar's many years of experience and extensive internal resources, together with MAS Global's innovative modular designs, the Stellar-MAS Global distributed generation system solutions offer maximum flexibility for customers while minimizing engineering and construction costs. Stellar's distributed generation system solutions are among the best available in the market", Jamison added.

"Signing this OEM agreement with Stellar Energy Systems and MAS Global opens additional sales opportunities worldwide", said Jim Crouse, Executive Vice President of Sales & Marketing. "With a highly qualified in-house team, the Stellar-MAS Global team provides an

exceptional level of service to owners", added Crouse.

"Stellar offers the turnkey supply of central energy plant solutions internationally. With over 900 direct employed architects, engineers, construction, and service technicians, we are proud that our resources rank among the top engineering and construction firms in the world today", said Kurt Liebendorfer, Senior Vice President of Stellar. "We are impressed with Capstone's undisputed leadership in microturbine technology and as a manufacturer of proven and reliable equipment. We look forward to a successful long-term relationship between our companies", added Liebendorfer.

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 thousands of Capstone MicroTurbine(TM) 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.

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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, worldwide. 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