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## **Capstone to Demonstrate Heavy Duty Hybrid Electric Drive System with Major U.S. Truck OEM**

CHATSWORTH, Calif., July 28, 2010 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has initiated a demonstration project with a major U.S. manufacturer of Class 5 through Class 8 heavy duty trucks that will utilize a Capstone 65kW microturbine as a clean, efficient range extender in a hybrid electric drive system. This truck will be the first to take advantage of the complete Capstone Drive Solution, which includes the Capstone microturbine along with liquid cooled power electronics, permanent magnet traction drive motor and vehicle power control system.

"The electric hybrid vehicle market is in a significant growth phase, with essentially every manufacturer of trucks, buses and automobiles looking for the right solution to serve their customers. Capstone's microturbine technology offers many benefits for these applications, including our extremely low emission levels that meet the most stringent CARB and EPA 2010 requirements without any exhaust after-treatment," said Darren Jamison, Capstone President and CEO. "I am pleased that a major OEM in the heavy duty truck market is investing its time and resources to demonstrate the Capstone Drive Solution and that the demonstration will include getting this vehicle in the hands of some of their key customers as well," added Jamison.

The Capstone Drive Solution will make it easier for vehicle manufacturers to integrate microturbines into a series hybrid electric drivetrain. As part of its recently announced joint development agreement with CalMotors, the Capstone HEV product offering will now include inverter drives, traction motors and a vehicle power control module that will seamlessly integrate with Capstone 30kW and 65kW microturbines. The inverters and traction motors are mobile hardened versions of the proven Parker Hannifin industrial motor drive products. The Capstone microturbines are able to operate on traditional liquid fuels such as diesel and biodiesel but can also utilize alternative fuels such as natural gas without sacrificing efficiency. This makes the Capstone Drive Solution suitable for a wide range of electric vehicle applications.

"This demonstration project is the first of several vehicle applications we are working on that will use the new Capstone Drive Solution," said Jim Crouse, Executive VP of Sales and Marketing. "The other projects include Class 4 commercial trucks and Class 8 tractors and utilize both new OEM applications like this one and retrofits to existing vehicles. We are also pursuing marine applications for both auxiliary power and propulsion. Our new Capstone Drive Solution offering will open a lot of opportunities for electric drive systems where our

ultra-low emissions and high efficiency have an advantage over more traditional prime movers."

"A successful demonstration of the Capstone Drive Solution in this heavy duty truck application can have significant market impact," stated Jamison. "It is for this reason that the OEM truck manufacturer we are partnering with has decided not to be named at this point. However we expect that the demonstration phase will be successful and that key customers will begin to appreciate the many positive benefits of the Capstone Drive Solution. Our OEM partner is prepared to make this development more public once they confirm the performance and customer reaction," added Jamison.

#### About Capstone Turbine Corporation

Capstone Turbine Corporation ([www.capstoneturbine.com](http://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 5,000 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.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the use and advantage of our products in vehicle applications and the success of our partnership with a major truck manufacturer. 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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