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Capstone Signs New Distributor Agreement for the Oil and Gas Sector in China While Attending US Clean Energy Trade Mission

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 new Distributor agreement with Shanghai Tech-Steel Petroleum & Natural Gas Technology Development Co. Ltd ("STS") for the oil and gas sector in China.

Founded in April, 2007, STS is a company dedicated to the oil & gas industry including coal-bed methane and coal mine methane. The predecessor of STS was Shanghai ChangQing Petrol-Chemical Material & Equipment Co., Ltd., which was part of the Chinese Government's Changqing Petroleum Exploration Bureau, the largest natural gas producing base in China.

"STS has a proven track record in working with the major players in oil and gas in China including China National Petroleum Company, SINOPEC and China National Offshore Oil Company," said Jim Crouse, Executive Vice President, Sales & Marketing. "STS has significant experience in the oil and gas sector in China and has developed numerous projects with Waukesha natural gas engines," added Crouse.

"STS has five offices in mainland China and more than 20 representative agents to help maintain the well-established relationship with a variety of oilfield design institutes, such as Liaohe, Shengli, Changqing. STS has built a sound reputation in China," said Simon Xu, Capstone's Sales Manager for the greater China market.

"Customer satisfaction is the primary measure of our success. We are focused on providing state of the art low emission products with excellent overall energy efficiency and utilization which are key requirements of the Oil & Gas market in China," said Rudolf Lee, General Manager, Shanghai Tech-Steel Petroleum & Natural Gas Technology Development Company.

"Capstone Turbine Corporation's leadership in providing a clean and green microturbine solution for the oil and gas industry and its continuing commitment to develop quality products makes them an ideal partner for us. We are looking forward to a long-term

successful cooperative relationship between our two companies," added Lee.

"We finalized this Distribution agreement with STS during our visit to China for last week's U.S. Clean-Energy Trade Mission," said Darren Jamison, President and Chief Executive Officer of Capstone Turbine Corporation.

The U.S. Clean-Energy Trade Mission to China and India is being attended by eighteen U.S. companies led by Assistant Secretary of Commerce David Bohigian and recently visited Beijing, Guangzhou and Hong Kong to meet with potential Chinese partners, agents, distributors, licensees, and retailers in the clean energy sectors.

According to the Export Assistance Center of West Virginia, a branch of the U.S. Department of Commerce, China aims to double the country's renewable energy supply by 2020. The Chinese Government would like to increase renewable energy to 10 percent of the country's electricity consumption by 2020. In 2005 alone, China invested \$7 billion in renewable energy capacity.

In addition, the Export Assistance Center indicates that India has set a goal of electrifying 18,000 remote villages and meeting 10 percent of its energy demand with clean energy by 2012. The Indian market for clean energy is estimated at \$600 million with an annual growth rate of 25 percent. The current 8,000 MW of installed capacity is expected to reach 20,000 MW by 2012.

"Clean energy technologies are moving to the forefront of energy infrastructure investments in China and India and these two huge economies are now seeking to diversify energy sources while reducing carbon emissions in the context of sustained economic growth," said Jamison. "Clean energy investments in both China and India will be enormous over the next 10 years, so now is the time for Capstone Turbine to intensify its efforts into these developing markets," added Jamison.

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 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 in China and India, the

environmental advantages of our products and a successful long-term relationship between Capstone and STS. 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