

July 15, 2008



Capstone Announces First Order for Its New C600 for the Oil & Gas Market

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced that it has received an order from its distributor, Pumps & Service, for approximately \$1M for its C600 turbine systems. This is the first C600 sale and the first sale from the C1000 product family into the oil and gas market.

Headquartered in Farmington, New Mexico, Pumps & Service has been in business as a division of Henry Production since 1978. The company specializes in the sale and service of engines, including generators, waste water systems and air compressors for various applications including oil fields, commercial, municipal, federal and agricultural applications among others.

"Our end user customer for this order is a unit of one of the largest interstate natural gas transmission companies in North America. This installation will be in a remote gas transmission pipeline station where grid power is not available," said Lee Richards, Capstone's Director of Sales, Oil & Gas.

"With the high financial impact of operating equipment in a remote area, failures at this location were problematic for the client. Fuel efficiency, emissions, cost and reliability were the drivers behind the selection of the Capstone product," said Jim Crouse, Capstone's Executive Vice President of Sales & Marketing. "In addition, this order is particularly significant for Capstone as it is the first C600 sale into this important market," added Crouse.

"Our microturbines in oil and gas applications have several distinct advantages over competing technologies. In addition to proven high reliability, long maintenance intervals and low total cost of ownership, our systems can be fueled with unprocessed wellhead gas, which is a pollutant when flared into the atmosphere," said Darren Jamison, Chief Executive Officer of Capstone Turbine Corporation.

"Capstone has been active for several years in the development of site-gas-fueled microturbine products for the oil and gas industry," said Bryan Hensley, Pumps & Service's Vice President of Marketing & Sales. "As Capstone's oldest oil and gas distributor, we have been impressed by Capstone as an innovator and as a manufacturer of proven reliable equipment and, more recently, by the launch of its much anticipated C200 system. We are proud to be able to make Capstone products available to our commercial and government

clients, and are looking forward to more orders in the future," added Hensley.

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, Bath, Shanghai and Tokyo.

"Capstone Turbine Corporation" and "Capstone MicroTurbine" are registered trademarks of Capstone Turbine Corporation. All other trademarks mentioned are the property of their respective owners.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about new sales opportunities and continued growth for Capstone in the oil & gas application, future product releases, the advantages of our products over competing technologies, and future orders from Pump & Service. 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