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Capstone Products Eligible for Reimbursement From \$3 Billion U.S. Government Recovery Act Fund

CHATSWORTH, Calif., July 14, 2009 (GLOBE NEWSWIRE) -- The United States government on July 9 announced that renewable energy, alternative energy, microturbine and CHP projects, including products from Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), are eligible for reimbursement from a \$3 billion fund created through the American Recovery and Reinvestment Act (Recovery Act).

Capstone is the world's leading producer of low-emission microturbine systems, and was the first to market commercially viable microturbine energy products. The company has shipped over 4,000 Capstone MicroTurbine(r) systems to customers worldwide. Capstone turbines and microturbines are an ideal energy solution because they run on a variety of fuels, are cost effective, integrate well with other energy products, and emit low emissions.

The joint program between the U.S. Department of the Treasury and U.S. Department of Energy provides an estimated \$3 billion for the development of approximately 5,000 biomass, solar, wind, marine, trash, landfill, geothermal, fuel cell, microturbine, and CHP projects around the country. The program also makes available guidance that is helpful to ensure a successful application submission. Capstone's renewable projects are eligible for a thirty percent grant, while fossil fuel projects can receive a ten percent grant.

"The renewable energy program provides another important avenue for the Recovery Act to contribute to economic development in communities around the country," said Treasury Secretary Tim Geithner. "It will provide additional stimulus to economies in urban and rural America by helping to develop domestic sources of clean energy."

"Capstone has been very pleased with the growing support for its technology by the U.S. Government," said Darren Jamison, President and CEO. "We will continue to engage with our government leaders to promote policies that lead to a clean environment, a strong national economy, and a growing market for our business."

The Recovery Act authorized Treasury to make direct payments to companies that create and place in service renewable energy facilities beginning Jan. 1, 2009. Previously, companies could file for a tax credit to cover a portion of the renewable energy project's cost; under the new program, applicants would agree to forgo tax credits down the line in favor of an immediate reimbursement of a portion of the property expense. This direct payment program allows for an immediate stimulus in local economies.

To expedite implementation of the program, Treasury and Energy have listed the terms and conditions, guidance and a sample application at <http://www.treas.gov/recovery/1603.shtml>. The goal is to help companies prepare successful applications in advance of the launch of the web-based application in the coming weeks which is yet another tool designed to facilitate the timely flow of program funds to eligible businesses.

About Capstone Turbine Corporation

Capstone Turbine Corporation (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 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 is headquartered in the Los Angeles area with sales and/or service centers in the New York metro area, Mexico City, Nottingham, Shanghai, Singapore and Tokyo.

The Capstone Turbine Corporation logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=6212>

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the economic and environmental advantages of Capstone Turbine's products and increased sales of Capstone's products in Thailand. 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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CONTACT: Capstone Turbine Corporation
Investor and investment media inquiries:
818-407-3628
ir@capstoneturbine.com