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Capstone Teams with TurboGenix, Inc. to Increase Customers' Electrical Efficiency

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 exclusive Sales Agreement with TurboGenix, Inc. (www.turbogenix.com), engaged in the business of designing, manufacturing, assembling, selling, installing and servicing waste heat power recovery generators utilizing Organic Rankine Cycle ("ORC") systems.

Headquartered in Brooksville, Florida, the TurboGenix product is capable of recovering heat from a variety of sources to produce usable electric power. Major market segments for the TurboGenix ORC systems include exhaust heat recovery from power generation systems at landfill gas plants, biogas plants, wastewater treatment plants, and distributed generation combined heat and power plants.

The agreement provides Capstone the exclusive right to sell combined microturbine/ORC systems for applications less than 300kW worldwide. A single TurboGenix ORC combined with four C65 Capstone MicroTurbine systems has the potential of boosting electric output from 260kW to 380kW and electric efficiency from 30% to approximately 44%. These electric efficiencies compare favorably with reciprocating engines of similar size. Fuel cell systems are able to boast similar electric efficiency levels, but at nearly twice the price of a combined Capstone/TurboGenix system.

"Customers for whom electrical output is a premium, including our European customers with kWh based biogas incentives, can now take advantage of more kWh with higher electric efficiency with no additional emissions", stated Jim Crouse, Executive Vice President, Sales and Marketing.

"Signing this agreement with TurboGenix opens up new sales opportunities for Capstone. We will be promoting the marketing and sales of systems comprised of Capstone MicroTurbines and the TurboGenix ORC products to new and existing customers of Capstone", said Darren Jamison, President and CEO of Capstone Turbine Corporation.

"We believe that Capstone Turbine has been a recognized leader in microturbine technology for many years as well as a designer and manufacturer of proven and reliable equipment. We pride ourselves on developing strong business relationships with many of the principals in our target markets. We are looking forward to a successful long-term relationship between our two companies", said Robert Miller, President and CEO of TurboGenix.

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.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, regarding product performance, new sales opportunities for Capstone, increased revenue and the future success of certain business relationships. 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