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Capstone Announces New Distributor Agreement for California and Memorandum of Understanding for Western Canada

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 Distributor Agreement with Collicutt Energy Services Ltd., (www.Collicutt.com) (TSX:COH), for California and has signed a memorandum of understanding for the renewable energy and cogeneration markets in Western Canada. It is anticipated that the MOU will be converted to a new international Distribution Agreement within 60 days.

Collicutt Energy Services is one of Canada's leading businesses engaged in providing a turnkey solution in the service and fabrication of natural gas compression, power generation, under balanced drilling equipment, and oilfield production equipment. From its centrally located headquarters in Red Deer, Alberta, Collicutt operates from 13 strategic branch locations throughout Western Canada and the Western United States. The company commenced operations as a natural gas engine and compressor service company and parts provider in 1986. Growing demand stimulated Collicutt to expand its product line into power generation. Its services are all performed in-house allowing for a cost-effective manufacturing process.

Collicutt Energy Services continues to expand its power generation growth through its recently acquired Distributorship for KOHLER Power Systems in California and parts of Nevada.

"Signing Collicutt Energy Services is another good step in strengthening our distribution network through California and Western Canada," said Darren Jamison, Capstone's President and Chief Executive Officer. "This agreement opens the door for new sales opportunities for Capstone, because Collicutt has a proven track record of providing its customers with superior quality and high-value products in a timely, cost-effective and professional manner. In addition, the company's service division offers 24-hour power generation equipment maintenance, and refurbishment services, ensuring minimal down time to its customer base," added Jamison.

"This new agreement offers Capstone the opportunity to strategically leverage Collicutt's capabilities and world class service reputation throughout those regions," said Jim Crouse, Executive Vice President, Marketing & Sales. "Their expertise and knowledge will be a great

addition to complement Capstone's strategic sales growth initiatives," added Crouse.

"It is the mission of Collicutt Energy Services to not only provide our customers total quality satisfaction, but our attention to detail, innovative solutions, avoidance of waste, belief in the future and pride in accomplishment are the building blocks of our organization that have not changed since the Company's inception in 1986," said Steve Collicutt, CEO and President of Collicutt. "Capstone Turbine Corporation's leadership in clean and green microturbine solutions and its continuing commitment to develop quality products makes them an ideal partnership for us, and I and our entire staff are looking forward to a successful long-term relationship between our two companies," added Collicutt.

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.

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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 particular, in the Western Canada and Western United States regions, enhanced customer service in those regions and a successful long-term relationship between Capstone and Collicutt Energy Services Ltd. 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