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Capstone Signs Agreement with Distributor for Alaskan Market

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 Ecodyne-Pacific Rim, Inc. for all of Capstone's applications and market segments, except Hybrid Electric Vehicles (HEV), for Alaska.

Headquartered in Anchorage, Alaska, Ecodyne-Pacific Rim, Inc., was established to bring the benefits of power security and reliability to communities that do not have access to this vital resource. Their mission is to offer their customers high quality distributed generation and power security related products using suppliers with top quality products and to provide dedicated support and service to them. Through this approach, their goal is to provide affordable, clean and reliable power to remote towns in Alaska.

"Ecodyne-Pacific Rim will cover an impressive list of market segments. Their expertise in the field of distributed generation and reputation throughout Alaska make them an ideal partner for us," said Jim Crouse, Capstone's Executive Vice President of Sales & Marketing.

"Our goal is to seek distributors that have business experience and are capable of supporting our growth plans in our targeted markets," said Darren Jamison, President and Chief Executive Officer of Capstone Turbine Corporation. "With the high price of diesel-based power in remote communities in Alaska, we believe it will allow us to expand the use of our products in Alaska," added Jamison.

"We pride ourselves on providing our customers with a total solution which not only has economic benefits, but also has social benefits," said Mr. Francis (Frank) L. Avezac, President of Ecodyne-Pacific Rim, Inc. "In addition to providing green and clean energy solutions, Capstone Turbine's air-cooled design and patented air bearing technology eliminate the high maintenance costs and downtime of traditional power generators. We are excited about our new distribution agreement with Capstone and are looking forward to a long and successful relationship," added Avezac.

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 for Capstone in Alaska, the economic and maintenance advantages of our products and a long and successful relationship between Capstone and Ecodyne-Pacific Rim, Inc. 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