

January 7, 2008



Capstone Announces New Distributor Agreement for the Oil and Gas Sector in Brazil

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 Fluxo Servicos de Petroleo Ltda. for the oil and gas sector in Brazil.

One of three companies that compose the Techba Group, Fluxo Servicos de Petroleo Ltda is headquartered in Salvador, Bahia with offices in Rio de Janeiro, Sao Paulo, Macae and Natal. Founded in 1989, Fluxo Servicos de Petroleo Ltda. provides integrated solutions for automated pipelines, storage and distribution of oil, gas and derivatives, with centralized control and management of systems.

"Fluxo works with world leaders in their respective sectors and through its engineering and technical staff, integrates systems that offer complete solutions to their customers," said Jim Crouse, Executive Vice President, Sales & Marketing.

"Fluxo is a well managed company that provides product managers for each one of the companies that it represents. In addition, Fluxo supplies after sales technical assistance and support with specialists trained by its principals," added Lee Richards, Director, Sales, Oil & Gas.

"Signing this Distributor agreement with Fluxo will enable us to expand the distribution of our products in Brazil," said Darren Jamison, President and Chief Executive Officer of Capstone Turbine Corporation. "Fluxo is a company whose vision is acknowledged by their customers and partners as a company of excellence, engaged in safety and attention to their human resources. The company also recognizes the importance of environmental protection," added Jamison.

When reached for comments, the President and Chief Executive Officer of Fluxo, Mr. Hideo Hama said: "Our mission is to supply integrated solutions to all industrial segments with equipment and services of high quality and cutting-edge technology. Capstone's leadership in clean and green microturbine solutions for the oil and gas industry and its continuing commitment to develop ultra low emissions products make them an ideal partner for Fluxo. Our staff and I are looking forward to working together towards a successful long-term relationship."

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 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.

"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 Brazil, the environmental advantages of our products and a successful long-term relationship between Capstone and Fluxo Servicos de Petroleo Ltda. 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