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Capstone Announces New Distributor Agreement for Ecuador

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 Proetel Ingenieros Asociados Cia.Ltda for all applications and market segments in Ecuador.

Founded in 1999, Proetel specializes in the generation, transmission and distribution of electrical power. It has developed thermo power generation projects in Ecuador, fueled by biogases from bio-digesters and landfills as well as wellhead gases from oil exploration.

"Proetel Ingenieros Asociados is a well managed company with strong in-house engineering and technical expertise. They have projects underway in oil and gas and biogas applications both in the private and public sectors," said Jim Crouse, Capstone's Executive Vice President, Sales and Marketing. "In addition, the company will focus on the hybrid bus market. Buses powered by our turbines provide the customers lower emissions, lower operating expenses and improved fuel mileage," added Crouse.

"Signing this Distributor agreement with Proetel will enable us to expand the distribution of our products in South America," said Darren Jamison, President and Chief Executive Officer of Capstone Turbine Corporation. "Founded initially as a consulting company due to the vast experience and relevant trajectories of its founders in the electrical industry in Ecuador, the company has expanded its business and has undertaken projects in the power generation industry in association with other companies in South America," added Jamison.

The President of Proetel Ingenieros, Mr. Jose Rafael Saenz Borja said, "Our mission is to work both in the private and public sectors in our region to supply integrated power solutions with equipment and services of high quality and cutting-edge technology. With ever growing global environmental concerns, Capstone's leadership in clean and green microturbine solutions and its continuing commitment to develop ultra low emissions products makes them an ideal partner for Proetel."

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, 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 Ecuador and South America and the environmental advantages of our products and a successful long-term relationship between Capstone and Proetel Ingenieros Asociados CIA 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