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First Microturbines Commissioned under New York City New Safety Standards

CHATSWORTH, Calif.--

Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced that RSP Systems, a Cogeneration Contractors Company, has completed installations of New York's first microturbines under the City's new rule for residential and commercial use. In December New York City implemented the country's first standard for the safe use and installation of microturbine technology.

RSP Systems recently installed or coordinated installation of Capstone MicroTurbine(R) systems in four locations around the City. The sites are fueled by clean burning natural gas, and emit very low emissions making Capstone a clean, green, reliable and cost-effective source of energy.

"We are proud to be among the first developers to utilize microturbines in New York City," said Charles Norman of Millennium Partners. "The microturbine is a highly efficient source of distributed generation, and the Capstone C60 installed at our Millennium Tower Residences allows us to contribute to the Mayor's and the City's commitment to increase the use of efficient, clean-burning, power-generation technologies." The Millennium Tower Residences is the first LEED Gold Certified condominium in Battery Park City.

"We're excited to bring microturbines to New York City," said Cory Glick, president of RSP Systems. "This technology provides our customers with a reliable power source at a reduced cost with ultra low emissions."

According to Mr. Glick, the City's new microturbine code and Building Department standard reinvigorated interest in microturbines, and Capstone units are being specified in existing buildings and new construction plans for locations throughout the city. To meet this renewed interest, RSP has established a qualified dealer network of mechanical and electrical contractors to facilitate the complete design, installation and commissioning of Capstone microturbine systems throughout the Metropolitan area. The RSP dealer network now includes companies such as Arista Air Conditioning and Emcor Services of New York and New Jersey, among others.

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.

About RSP Systems

RSP Systems helps customers find the best solution for their energy needs. The company designs and coordinates installation of reliable, secure power systems, and provides ongoing monitoring and service. RSP is the exclusive distributor of the Capstone MicroTurbine(R) technology in New York and Northern New Jersey.

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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 New York. 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