

## **Calnetix Power Solutions sells its Microturbine Business to Capstone Turbine Corporation and Enters into an Exclusive Agreement with Capstone for the Distribution of its 125kW Zero Emission Waste Heat Recovery Generator**

Stuart, Florida, Feb 2, 2010 – Calnetix Power Solutions (“CPS”), a premier manufacturer of green, energy efficient waste heat recovery systems for renewable and distributed energy markets, today announced it has sold its TA100 microturbine product line to Capstone Turbine Corporation (Nasdaq: CPST).

Capstone and CPS also entered into a three-year Original Equipment Manufacturer agreement under which CPS will supply its new, innovative, 125kW waste heat recovery generator system. In exchange for certain minimum purchase requirements, Capstone will have exclusive rights to sell the zero emission waste heat generator for all microturbine applications and for applications below 500kW where the source of heat is the exhaust of a reciprocating engine used in a landfill application.

Under the purchase agreement, CPS sold substantially all of the rights and assets related to the manufacture and sale of its TA100 100kW microturbine generator. Under a separate agreement CPS and Capstone also entered into a manufacturing sub-contract arrangement under which CPS will continue to manufacture the TA100 turbines for Capstone from existing CPS TA100 backlog and select new orders received.

“CPS is extremely pleased to enter this long term strategic relationship with Capstone and to move from a competitive relationship to a collaborative one. By doing so we will leverage the combined companies’ microturbine and waste heat recovery technologies,” stated Brad Garner President of CPS. “The ability for both companies to work together to grow top line revenue without either adding significant additional operating costs should improve the profitability of both companies,” added Garner. “CPS is looking forward to leveraging the existing Capstone worldwide distribution channel and well known brand to quickly grow the market acceptance of our new waste heat recovery generator.”

“The CPS TA100 microturbine is most similar to the Capstone product design when compared to other products in the industry and the 100kW rating fits nicely between our 65kW and 200kW product offerings,” stated Darren Jamison, Capstone’s President and Chief Executive Officer. “By acquiring the CPS TA100 product we not only strengthen Capstone’s suite of microturbine products but also add approximately 24 more distributors and business partners bringing Capstone’s total number of distributors and partners to over 90 worldwide,” added Jamison.

About Calnetix Power Solutions Inc.

Calnetix Power Solutions ([www.Calnetixps.com](http://www.Calnetixps.com)) is a premier manufacturer of green, energy efficient waste heat recovery systems for renewable and distributed energy markets. The Company’s WHG 125 product, which generates 125 kW of gross electricity with no fuel costs and zero emissions, can be used in a variety of industrial heat source applications. Calnetix Power Solutions is a wholly owned subsidiary of Calnetix, Inc. a privately held company headquartered in Cerritos, California. Calnetix, Inc. is a global leader in high speed, high efficiency, permanent magnet electric motors and generators, magnetic bearings, and high frequency power electronics. To learn more about parent company Calnetix, please visit [www.Calnetix.com](http://www.Calnetix.com). For further information contact Calnetix CFO Craig Glynn at [cglynn@calnetix.com](mailto:cglynn@calnetix.com).

## About Capstone Turbine Corporation

Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.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 5,000 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 is headquartered in the Los Angeles area with sales and/or service centers in the New York metro area, Mexico City, Nottingham, Shanghai, Singapore and Tokyo.