

TSX/MEDIA RELEASE

CAPSTONE INFRASTRUCTURE CORPORATION ANNOUNCES THIRD QUARTER 2017 RESULTS

Toronto, ON (November 8, 2017) - Capstone Infrastructure Corporation (TSX: CSE.PR.A) (the "Corporation") today reported results for the third quarter ended September 30, 2017. The Corporation's 2017 Management's Discussion and Analysis and unaudited interim consolidated financial statements are available at www.capstoneinfrastructure.com and on SEDAR at www.sedar.com. All amounts are in Canadian dollars.

Financial Review

In millions of Canadian dollars	Quarter ended Sep 30		Change (\$)	Nine months ended Sep 30		Change (\$)
	2017	2016		2017	2016	
Revenue	29.1	66.1	(37.0)	112.6	132.8	(20.2)
Expenses	13.4	27.9	(14.5)	40.2	76.8	(36.6)
EBITDA¹	22.2	54.6	(32.4)	81.5	71.6	9.9
Net income (loss) from continuing operations	(2.6)	23.7	(26.3)	(13.0)	(1.1)	(11.9)
Net income (loss) from discontinued operations	—	(42.5)	42.5	129.3	(36.0)	165.3
Net income (loss)	(2.6)	(18.8)	16.2	116.3	(37.1)	153.4

¹ "EBITDA" is an additional GAAP financial measure defined as earnings (loss) before financing costs, income tax expense, depreciation and amortization. A definition of EBITDA is provided on page 3 of Management's Discussion and Analysis.

Operational and Strategic Highlights

In 2017, Capstone refocused the business to become a North American independent power producer. As part of this shift, Capstone sold its 33.3% indirect interest in Värmevärden and made changes to the management team and board of directors. On August 11, 2017, Paul Smith was appointed chairman of the board of directors.

In addition, Capstone achieved the following operational highlights:

- Received funding under Alberta's Bioenergy Producer Program ("BPP") at Whitecourt;
- Continued discussions with BC Hydro for a new Electricity Purchase Agreement ("EPA") for the Sechelt Creek facility;
- Achieved commercial operations ("COD") on the Settlers Landing Wind Park project on April 5, 2017; and
- Whitecourt began a temporary shutdown to progress its refurbishment project and expects operations to resume in the fourth quarter of 2017.

Third Quarter Financial Highlights

During the third quarter of 2017, revenue decreased by \$37.0 million, or 56%, compared to the same period in 2016. For the year to date, revenue decreased by \$20.2 million, or 15%. The decrease for both periods reflects higher net Ontario Electricity Financial Corporation ("OEFC") proceeds awarded for retroactive payments to Cardinal and the Ontario hydro facilities in the third quarter of 2016. This was partially offset in 2017 by higher revenue from new and existing wind facilities and the government grant funding at Whitecourt.

Expenses decreased by \$14.5 million, or 52%, for the third quarter and by \$36.6 million, or 48%, for the year to date. The year-to-date decrease was primarily lower operating expenses relating to Cardinal's fuel expenses for commitments relating to the OEFC settlement than in the third quarter of 2016. In addition, there were lower corporate staff costs and professional fees associated with iCON's 2016 acquisition.

Reflecting the factors noted above, EBITDA in the quarter decreased by \$32.4 million, or 59%, and EBITDA for the year to date increased by \$9.9 million, or 14%.

Net income increased by \$16.2 million for the quarter and \$153.4 million for the year to date. The year-to-date increase primarily reflects a gain of \$128.1 million from the sale of Värmevärden in the first quarter, partially offset by the 2016 contributions from Bristol Water, which Capstone sold in December 2016.

Financial Position

As at September 30, 2017, the Corporation had unrestricted cash and cash equivalents of \$62.6 million, including \$42.6 million at the power segment which is accessible to Capstone through distributions, and \$19.9 million in total cash and cash equivalents available for general corporate purposes. In addition, Capstone was in a net current liability position of \$39.3 million. The deficit reflects \$124.6 million of current debt, consisting of scheduled debt amortization, including

forecast payments of \$51.4 million for the CPC credit facility, as well as the upcoming maturities for SkyGen and Skyway 8 of \$36.9 million. Capstone expects to repay the scheduled amortization from income generated by the power assets and is evaluating options to refinance the project debt maturing in February 2018 for the SkyGen and Skyway 8 wind facilities.

Dividend Declarations

The board of directors today declared a quarterly dividend on the Corporation's Cumulative Five-Year Rate Reset Preferred Shares, Series A (the "Preferred Shares") of \$0.2044 per Preferred Share to be paid on or about January 31, 2018 to shareholders of record at the close of business on January 15, 2018. The dividend on the Preferred Shares covers the period from October 31 to January 30, 2018.

The dividends paid by the Corporation on its Preferred Shares are designated "eligible" dividends for the purposes of the Income Tax Act (Canada). An enhanced dividend tax credit applies to eligible dividends paid to Canadian residents.

About Capstone Infrastructure Corporation

Capstone's mission is to provide investors with an attractive total return from responsibly managed long-term investments in power generation in North America. The Corporation's strategy is to develop, acquire and manage a portfolio of high quality power facilities that operate in a contractually-defined environment and generate stable cash flow. Capstone currently owns, operates and develops thermal and renewable power generation facilities in North America with a total installed capacity of net 509 megawatts. Please visit www.capstoneinfrastructure.com for more information.

Notice to Readers

Certain of the statements contained within this document are forward-looking and reflect management's expectations regarding the future growth, results of operations, performance and business of Capstone Infrastructure Corporation (the "Corporation") based on information currently available to the Corporation. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "intend", "estimate", "plan", "believe" or other similar words, and include, among other things, statements found in "Results of Operations" and "Financial Position Review". These statements are subject to known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results. The forward-looking statements within this document are based on information currently available and what the Corporation currently believes are reasonable assumptions, including the material assumptions set out in the management's discussion and analysis of the results of operations and the financial condition of the Corporation ("MD&A") for the year ended December 31, 2016 under the headings "Changes in the Business", "Results of Operations" and "Financial Position Review", as updated in subsequently filed MD&A of the Corporation (such documents are available under the Corporation's SEDAR profile at www.sedar.com).

Other potential material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following: that the business and economic conditions affecting the Corporation's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes and interest rates; that the preferred shares will remain outstanding and that dividends will continue to be paid on the preferred shares; that there will be no material delays in the Corporation's wind development projects achieving commercial operation; that the Corporation's power infrastructure facilities will experience normal wind, hydrological and solar irradiation conditions, and ambient temperature and humidity levels; that there will be no material changes to the Corporation's facilities, equipment or contractual arrangements; that there will be no material changes in the legislative, regulatory and operating framework for the Corporation's businesses; that there will be no material delays in obtaining required approvals for the Corporation's power infrastructure facilities; that there will be no material changes in environmental regulations for the power infrastructure facilities; that there will be no significant event occurring outside the ordinary course of the Corporation's businesses; the refinancing on similar terms of the Corporation's and its subsidiaries' various outstanding credit facilities and debt instruments which mature during the period in which the forward-looking statements relate; that the conversion rights pursuant to the convertible debenture issued in connection with the Grey Highlands ZEP wind facility, the Ganaraska wind facility, the Snowy Ridge wind facility and the Settlers Landing wind facility are exercised; market prices for electricity in Ontario and the amount of hours that Cardinal is dispatched; the price that Whitecourt will receive for its electricity production considering the market price for electricity in Alberta, the impact of renewable energy credits, and Whitecourt's agreement with Millar Western, which includes sharing mechanisms regarding the price received for electricity sold by the facility; and the re-contracting of the power purchase agreement ("PPA") for Sechelt.

Although the Corporation believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons, including: risks related to the Corporation's securities (controlling shareholder, dividends on common shares and preferred shares are not guaranteed; and volatile market price for the Corporation's securities); risks related to the Corporation and its businesses (availability of debt and equity financing; default under credit agreements and debt instruments; geographic concentration; foreign currency exchange rates; acquisitions, development and integration; environmental, health and safety; changes in legislation and administrative policy; and reliance on key personnel); and risks related to the Corporation's power infrastructure facilities (market price for electricity; power purchase agreements; completion of the Corporation's wind development projects; operational performance; contract performance and reliance on suppliers; land tenure and related rights; environmental; and regulatory environment).

For a comprehensive description of these risk factors, please refer to the "Risk Factors" section of the Corporation's Annual Information Form dated March 24, 2017, as supplemented by disclosure of risk factors contained in any subsequent annual information form, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, interim

management's discussion and analysis and information circulars filed by the Corporation with the securities commissions or similar authorities in Canada (which are available under the Corporation's SEDAR profile at www.sedar.com).

The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. The forward-looking statements within this document reflect current expectations of the Corporation as at the date of this document and speak only as at the date of this document. Except as may be required by applicable law, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.

This document is not an offer or invitation for the subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of any investors. Before making an investment in the Corporation, an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

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