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Capstone and Sky Solar Announce Strategic Financing Agreement to Fund up to \$50 Million in Select Capstone Energy Finance Projects

CHATSWORTH, Calif. and HONG KONG, Oct. 06, 2016 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has entered into a strategic financing relationship agreement with Sky Solar Holdings, Ltd. ("Sky Solar") (www.skysolargroup.com) (Nasdaq:SKYS) and Sky Capital America, Inc., a Sky Solar subsidiary (together, "Sky Group") to provide funding to Capstone Turbine's Capstone Energy Finance ("CEF") joint venture.

Pursuant to the strategic financing agreement, Capstone and CEF granted a right of first refusal ("ROFR") to Sky Group to provide funding of up to \$50 million, which may be extended by an additional \$100 million (the "Project Fund") at Sky Group's sole discretion for various CEF projects on a global basis after Capstone and CEF have exhausted their internal funding sources of up to \$25 million. The ROFR also includes an option for Sky Group to jointly fund power purchase agreement ("PPA") backed opportunities with Capstone, CEF, end use customers, and/or any authorized Capstone distributors under certain mutually agreeable conditions. The agreement will expire at the earlier of the end of three years following the effective date or upon the exhaustion of Sky Group's Project Fund.

"Capstone's new finance subsidiary has developed a twenty million dollar pipeline of well-qualified projects since its launch last December, and we expect to quickly surpass our ability to fund projects with our internal resources," said Darren Jamison, Capstone's President and Chief Executive Officer. "We have looked at several potential partners and, after months of due diligence and discussions with several companies, we have selected Sky Solar because we believe they have the right skill set, ability, experience and global reach to help us successfully grow our Capstone Energy Finance business over the next three years," added Mr. Jamison.

"As we have highlighted in the past, we remain focused on expanding our power market portfolio by selectively pursuing non-solar renewable asset classes that can generate returns higher than typical solar projects, and we expect this new strategic partnership with Capstone will provide an attractive avenue for additional growth," said Sanjay Shrestha, Sky Solar Chief Investment Officer and President of Sky Capital America.

About Sky Solar

Sky Solar is a global independent power producer (“IPP”) that develops, owns and operates solar parks around the world with broad geographic reach and an established presence across several key solar markets. Sky Solar has developed and completed more than 250 MW of solar parks in various countries and has over 150 MW of IPP assets in operation globally.

This press release contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to the following: the reduction, modification or elimination of government subsidies and economic incentives; global and local risks related to economic, regulatory, social and political uncertainties; resources Sky Solar may need to familiarize itself with the regulatory regimes, business practices, governmental requirements and industry conditions as Sky Solar enter into new markets; Sky Solar’s ability to successfully implement its on-going strategic review to unlock shareholder value; global liquidity and the availability of additional funding options; the delay between making significant upfront investments in Sky Solar’s solar parks and receiving revenue; potential expansion of Sky Solar’s business into China; risk associated with the Sky Solar’s limited operating history, especially with large-scale IPP solar parks; risk associated with development or acquisition of additional attractive IPP solar parks to grow Sky Solar’s project portfolio; and competition. Further information regarding these and other risks is included in Sky Solar’s filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Except as required by law, Sky Solar does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

About Capstone Turbine Corporation

Capstone Turbine Corporation (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 has shipped approximately 8,800 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone 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 9001:2008 and ISO 14001:2004 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East, China and Singapore.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the growth of our Capstone Energy Finance business and the success of our relationship with Sky Solar. 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.

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