

May 28, 2014



Hannon Armstrong Sustainable Infrastructure Capital, Inc. Acquires \$107 Million Portfolio of Land and Leases for Solar and Wind Projects

Also Adds Additional \$200 Million of Capacity to Credit Facility

ANNAPOLIS, Md., May 28, 2014 /PRNewswire/ -- Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("Hannon Armstrong," "we," "our" or the "company;" NYSE: HASI), a leading sustainable infrastructure investor, today announced the acquisition of a \$107 million portfolio of land and payments from land leases underlying wind and solar projects. HASI also entered into an expansion of its existing credit facility, which provides for an additional \$200 million of capacity and increased flexibility in terms.

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"We have acquired high credit quality, long duration lease streams that are senior to the project debt in some of the largest solar and wind projects in the country," said Chief Executive Officer Jeffrey Eckel. "This portfolio diversifies our asset mix while moving us toward our 2014 financial targets and adds another platform for originating new assets that fit well with our REIT structure."

Highlights

- Acquired more than 7,500 acres of land leased to three solar projects with a value of approximately \$60 million and the payments from 11 additional land leases for a diversified portfolio of wind projects with a value of approximately \$27 million. In addition, another portfolio of 46 smaller streams of payments from land leases on wind projects was also purchased.
- The land and leases purchased support wind and solar projects developed or owned by high credit quality entities, including Southern Company, NRG Yield, First Solar and NextEra, with long term investment grade power purchase agreements from utilities such as SDG&E, PG&E, LADWP and SCE.

"Strategically, this transaction is a terrific fit: It adds high credit quality assets at attractive risk-adjusted yields, grows our near term pipeline and increases our capacity to add distributed energy assets by expanding our REIT asset base," said Eckel. "In addition to the long duration assets, we now will enjoy equity upsides from long-term land ownership, all the while taking the least risk in the project capital stack," added Eckel.

The Transaction

The transaction is structured as a purchase of American Wind Capital Company, LLC with no debt, liabilities or employees. Existing employees and management will form a new company named AWCC Capital, LLC to originate additional transactions in which HASI has a right of first refusal to purchase additional transactions.

Expansion of Credit Facility

HASI has also expanded its existing credit facility by increasing its overall capacity by \$200 million. The new terms provide an increase in the maximum borrowings allowed at any point in time in the project finance facility from \$150 million to \$250 million, and an increase in the total maximum advances allowed under the facility from \$700 million to \$900 million. The amendment also expanded the eligibility criteria to reflect current market opportunities in distributed energy assets.

"The expansion of our credit facility, combined with our recent equity offering, provides us with additional financial resources to continue to grow our business," said Chief Financial Officer Brendan Herron. "Aligning our credit facility with the market opportunities is key to ensuring optimal leverage in our capital structure."

About Hannon Armstrong

Hannon Armstrong makes debt and equity investments in sustainable infrastructure projects. The company focuses on profitable projects that increase energy efficiency, provide cleaner energy, positively impact the environment or make more efficient use of natural resources. Hannon Armstrong targets projects that have high credit quality obligors, fully contracted revenue streams and inherent economic value.

The company, based in Annapolis, Maryland, intends to elect and qualify to be taxed as a real estate investment trust (REIT) for federal income-tax purposes, commencing with its taxable year ended Dec. 31, 2013.

Forward Looking Statements

Some of the information contained in this press release are forward-looking statements and 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. When used in this press release, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the

forward-looking statements include those discussed under the caption "Risk Factors" included in our Annual Report on Form 10-K for our fiscal year ended December 31, 2013, which was filed with the U.S. Securities and Exchange Commission (SEC), as well as in other reports that we file with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this press release. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this press release.

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