EUROCASTLE INVESTMENT LIMITED

FOR IMMEDIATE RELEASE

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Eurocastle announces its intention to raise additional capital through an offer of new shares

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Guernsey. 17 April 2015

Eurocastle Investment Limited (Euronext Amsterdam: ECT) ("**Eurocastle**" or the "**Company**", together with its SPVs and subsidiaries from time to time, the "**Group**") announces today that it intends to raise additional capital through an offer of new ordinary shares (the "**Offer Shares**") to certain institutional and other sophisticated investors (the "**Offer**").

Overview of the Offer

- Eurocastle is targeting to raise circa €300 million through the issuance of the Offer Shares to pursue new investment opportunities in the Italian debt and real estate markets in line with the Company's investment focus.

- The price (the "**Offer Price**") at which the Offer Shares will be offered will be determined by an institutional bookbuilding process, which is expected to start on 20 April 2015. Following completion of this process, the number of Offer Shares to be issued and the Offer Price will be set by Credit Suisse Securities (Europe) Limited, as the Sole Bookrunner, in consultation with the Company. The Offer is expected to be completed before the end of April 2015.

- Full details of the Offer will be contained in a prospectus (the "**Prospectus**") which is expected to be published in due course subject to regulatory approval. A further announcement will be made once the Prospectus has been published.

- The Offer will be made by way of a private placement to institutional and other sophisticated investors in the UK and elsewhere outside the United States to non-US persons in reliance on Regulation S of the US Securities Act of 1933, as amended (the "**Securities Act**"), and in the United States in reliance on Rule 144A or another exemption from registration under the Securities Act.

- The Company is not and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and consequently all holders of the Offer Shares in the United States or who are US persons must be "Qualified Purchasers" within the meaning of the Investment Company Act.

About Eurocastle

Eurocastle Investment Limited is a closed-ended investment company that owns Italian loans and real estate related assets, German commercial real estate and European real estate securities and loans. The Company is Euro denominated and is listed on Euronext Amsterdam under the symbol "ECT". Eurocastle is managed by an affiliate of Fortress Investment Group LLC, a leading global investment manager. For more information regarding Eurocastle Investment Limited and to be added to our email distribution list, please visit www.eurocastleinv.com.

In connection with the Offer, the Company notes the following supplemental information regarding its business:

UCCMB Acquisition

On 12 February 2015, the Company announced that, together with other affiliates of Fortress Investment Group LLC, it had reached an agreement to acquire a portfolio of NPLs and a loan servicing business held through UCCMB from UniCredit for aggregate consideration of approximately €500 million. Payment of the consideration will be staggered with approximately €300 million due at closing and the balance due in December 2015. The balancing payment will be adjusted to take into account cash collections on the NPL portfolio until December 2015. The acquisition will be made by a newly created vehicle 50 per cent. of which is indirectly owned by the Company, and 50 per cent. of which is indirectly owned by other affiliates of Fortress Investment Group LLC ("Purchaser"). The Company will be required to invest into Purchaser 50 per cent. of the amount required by Purchaser to satisfy its obligations under the purchase agreement, subject to Purchaser utilising potential alternative sources of funding. A shareholders' agreement will govern the management and operation of Purchaser. It is anticipated that all material decisions relating to the ownership of UCCMB will require the unanimous agreement of each of the shareholders.

UCCMB is the largest captive servicer in Italy, servicing loans with a gross book value of approximately €34.1 billion and with a wide network throughout Italy. In the past 5 years, UCCMB averaged collections of approximately €1.4 billion per annum. As part of the acquisition, UCCMB will enter into a 10-year master servicing agreement ("MSA") with respect to existing NPLs and which is expected to include a right to service certain of UniCredit's future NPLs with balances below €1 million generated during the term of the agreement. UCCMB's future income from the MSA is expected to be based on a base fee and a performance fee, with the base fees being a simple percentage of the net accounting balance of the outstanding claims and the performance fees being dependent on collections. In addition, it is expected that the MSA will include a specific indemnity due to UCCMB if UniCredit decides to sell portfolios of non-performing loans that fall within the terms of the MSA. This indemnity would consist of a portion of the base fee plus a portion of the variable fee depending on the aggregate gross book value of loans sold in a certain timeframe. Penalties are expected to apply to the overall fees due to UCCMB in the event that it fails to meet certain agreed key performance indicators and repeated failure to achieve critical key performance indicators may lead to termination of the MSA. It is expected that the agreement may also be terminated by UniCredit in the event of certain other actions constituting a material breach of the contract by UCCMB.

The NPL portfolio being acquired comprises loans to approximately 4,700 borrowers, with loans with a gross book value of more than €1 million accounting for some two-thirds of aggregate gross book value of €2.4 billion. Forty two per cent. of the loans are secured by first lien mortgages over residential, commercial or other property with a further eight per cent. secured by second lien mortgages. Seventy eight per cent. of the loans by gross book value relate to northern and central Italy. The average default year for the portfolio is 2003.

The acquisition, which is subject to approval from the Bank of Italy and customary conditions, is expected to close in the second quarter of 2015.

Legacy German Commercial Real Estate

Eurocastle is pleased to report that the Senior and Junior lenders to the Group's Drive Facility have waived an amortisation target that was due to be met in January 2015. The delay of the sale of one of the Drive Portfolio's larger remaining assets meant that the Group needed a deferral of this January 2015 payment. Following the closing of the delayed sale in the first quarter (previously announced in the Company's 2014 annual report), sufficient proceeds have been raised not only to remedy the January 2015 amortisation payment but also to clear the July 2015 amortisation target. As at 31 December 2014, and for all covenant test dates to 28 February 2015, the Group is compliant with all financial covenant tests certified to lenders for all facilities where a breach could result in a default (although due to cash flow triggers being met, each of the facility agreements relating to the Group's legacy German commercial real estate portfolio, with the exception of Truss, currently prohibits upstream payments to the Company with all available cash flow being used to service the debt).

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This announcement is an advertisement and not a prospectus and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, sell, otherwise dispose of or issue any Offer Shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, any contract commitment or investment decision in relation thereto nor does it constitute a recommendation regarding the securities of the Company. Investors should not subscribe for or purchase shares referred to in this announcement except on the basis of information in the Prospectus. No public offer is being made in respect of the Offer Shares. In any member state that has implemented the Prospectus Directive, the Offer will only be made to, and will only be directed at, qualified investors in that member state within the meaning of the Prospectus Directive or otherwise so that there is no offer to the public in that member state. Furthermore, for the purposes of the EU Alternative Investment Fund Managers Directive (the "**Directive**"), the Company is a non-EU AIF whose AIFM is FIG LLC, itself a non-EU AIFM. Each member state is adopting or has adopted legislation implementing the Directive into national law. Under the Directive, marketing to any investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and the Offer will not be made to investors domiciled or with a registered office in any member state unless prior notification has been given to the competent authority in the relevant member state and the other conditions in Article 42 of the Directive (as implemented in the relevant member state) have been met.

Neither this announcement nor the Prospectus constitute an offer to sell, or the solicitation of an offer to subscribe for or acquire Shares in the United States or in any other jurisdiction or in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Advisers, and, in particular, are not for release, publication or distribution in the United States, Australia, Canada or Japan or to U.S., Australian, Canadian or Japanese persons. The Offer Shares may not be offered or sold in the United States absent an exemption from registration under the Securities Act. The Offer Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States, or under the applicable securities laws of Australia, Canada or Japan. The Company will not be registered under the Investment Company Act and investors will not be entitled to the benefits of such act. All holders of the Offer Shares in the United States or who are US Persons must be "Qualified Purchasers" within the meaning of the Investment Company Act.

There will be no public offer of the Offer Shares in the United States.

Subject to certain exceptions, the Offer Shares may not be offered or sold in the United States, Australia, Canada or Japan or to, or for the account or benefit of, any U.S. person, or any national, resident or citizen of Australia, Canada or Japan.

Application will be made for all of the Offer Shares to be admitted to listing on Euronext Amsterdam. The Company, Euronext Amsterdam and the Listing Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the listing or the (related) annulment of any transaction in Shares on Euronext Amsterdam.

Credit Suisse Securities (Europe) Limited ("**Credit Suisse**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sole Bookrunner to the Company in connection with the Offer. Credit Suisse are acting exclusively for the Company and for no one else in connection with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Credit Suisse nor for giving advice in relation to the Offer, the contents of the Prospectus or any other matter related thereto.

In connection with the Offer, Credit Suisse and its affiliates, acting as investors for their own accounts, may subscribe for or purchase Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Offer Shares being offered, acquired, sold, placed or otherwise dealt in should be read as including any offer, sale, acquisition, placing or dealing in the Offer Shares by Credit Suisse and any of its affiliates acting as investors for their own accounts. In addition, Credit Suisse or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Offer Shares. Credit Suisse does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Neither Credit Suisse nor any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Prospective investors are required to make their own independent investigation and appraisal of the business and financial condition of the Company and neither the Company, Credit Suisse nor any other person has authorised any third party to make such a recommendation. This document does not constitute a recommendation to participate in the Offer. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into this announcement.

Forward looking statements

Some of the statements contained in this announcement may include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to future events and financial performance. Statements which include the words "targets", "expects", "assumes", "believe", "intend", "plan", "project", "anticipate", "would" and similar statements of a future or forward-looking nature identify forward-looking statements for the purposes of the U.S. federal securities laws or otherwise.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These forward-looking statements speak only as at the date of this announcement. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the Company as of the date hereof. Subject to any continuing obligations under the Disclosure and Transparency Rules, the Prospectus Rules and other applicable regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement contained in this announcement, whether as a result of new information, future developments or otherwise.

Credit Suisse and its affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.