



EUROCASTLE INVESTMENT LIMITED

FOR IMMEDIATE RELEASE

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Issue of Convertible Bonds

Guernsey. 6 October 2009 – Eurocastle Investment Limited (Frankfurt Stock Exchange: EUI1 and Euronext Amsterdam: ECT) (“Eurocastle”) pleased to announce that it has issued €15,000,000 principal amount of 20 per cent. Perpetual Subordinated Convertible Securities at an effective premium to par value. These securities have been issued on substantially the same terms and conditions as and shall rank pari passu with, the €75,000,000 Perpetual Subordinated Convertible Securities issued by Eurocastle on 25 June 2009, a press release in respect of which was issued on 24 June 2009. The convertible securities are convertible into ordinary shares of Eurocastle.

The proceeds of the issue will be used to repay a portion of Eurocastle’s corporate facility.

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Neither the content of Eurocastle’s website (or any other website) nor the content of any website accessible from hyperlinks on Eurocastle’s website (or any other website) is incorporated in this announcement.

Forward-Looking Statements

Some of the statements contained in this announcement may include forward-looking statements which reflect Eurocastle's or, as appropriate, the Directors' current views with respect to future events and financial performance. Statements which include the words "expect", "intend", "plan", "project", "anticipate", "will" and similar statements of a future or forward-looking nature identify forward-looking statements for the purposes of the US 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 Eurocastle'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. Subject to any continuing obligations under the Listing Rules and the Disclosure and Transparency Rules, Eurocastle 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.