

**CARLYLE CAPITAL**
CORPORATION LIMITED[Home](#) : [News](#) : [Press Releases](#) : 2007**Carlyle Capital Corporation Limited**For Immediate Release
03/5/08Rowland Hunt
+1-212-813-4707**Carlyle Capital Corporation Limited Issues Update on Its Liquidity**

New York, NY – Carlyle Capital Corporation Limited (Euronext Amsterdam ticker symbol: CCC; ISIN: GG00B1VYV826) (the "Company") today announced that since filing its annual report on February 28, 2008, the Company has been subject to margin calls and additional collateral requirements totaling more than \$60 million. Until March 5, the Company had met all of the margin requirements imposed by its repo counterparties. However, on March 5, the Company received additional margin calls from seven of its 13 repo counterparties totaling more than \$37 million. The Company has met margin calls from three of these financing counterparties that have indicated a willingness to work with the Company during these tumultuous times, but did not meet the margin requirements of the four other repo financing counterparties. From this group of four counterparties, one notice of default has been received by the Company and management expects to receive at least one additional default notice.

John Stomber, Chief Executive Officer, President and Chief Investment Officer of the Company, said, "The last few days have created a market environment where the repo counterparties' margin prices for our AAA-rated U.S. government agency floating rate capped securities issued by Fannie Mae and Freddie Mac are not representative of the underlying recoverable value of these securities. Unfortunately, this disconnect has created instability and variability in our repo financing arrangements. Management is actively working with the Company's repo counterparties to develop more stable financing terms."

Since the liquidity crisis in global fixed income markets started in August, the Company has sold almost \$1 billion in non-RMBS assets to improve liquidity and reduce leverage. The Company has also received significant support from The Carlyle Group, most notably in the form of a \$150 million subordinated revolving credit line.

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About Carlyle Capital Corporation

The Company is a Guernsey investment company that was formed on August 29, 2006. The Company's long-term objective is to achieve attractive risk-adjusted returns for shareholders primarily through current income and, to a lesser extent, capital appreciation. In the future, management will seek to achieve this objective by investing in a diversified portfolio of fixed income assets consisting of mortgage products and leveraged finance assets. Management employs leverage to finance the Company's investments and its income is generated primarily from the difference between the interest income earned on our assets and the costs of financing those assets.

Carlyle Investment Management L.L.C. ("CIM") manages the Company pursuant to a management agreement. CIM is a registered investment adviser under the U.S. Investment Advisers Act of 1940 and is an affiliate of The Carlyle Group.

This press release 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, any shares or other securities of Carlyle Capital Corporation Limited. Certain of the information contained in this press release represents or is based upon forward looking statements or information. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed. Therefore, undue reliance should not be placed on such statements or the conclusions drawn therefrom, which in no event shall be construed as a guarantee of future performance, results or courses of action. The Class B shares and the related restricted depository shares of the Company are subject to a number of ownership and transfer restrictions, including restrictions that limit the ability of U.S. persons to acquire or hold such securities.

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