



## Crystal River Announces Appointment of New President and Chief Executive Officer

NEW YORK, NEW YORK, May 12, 2008 (MARKET WIRE via COMTEX News Network) -- Crystal River Capital, Inc. ("Crystal River" or the "Company") (NYSE: CRZ) announced that its Board of Directors ("Board") has appointed William Powell as its President and Chief Executive Officer (CEO), effective Tuesday, May 13, 2008. Mr. Powell joins Crystal River from his former position as co-head of Brookfield Asset Management's Real Estate Finance Funds Group. Mr. Powell has over 20 years of real estate investment experience, focusing on commercial debt, structured finance and commercial real estate equity markets.

Mr. Powell succeeds Clifford Lai, who has served as Crystal River's President and Chief Executive Officer for the past three years. Mr. Lai will focus his efforts on growing Brookfield Asset Management's investment management platform, where he is a Managing Partner. He will remain a member of Crystal River's Board.

As a result of the challenging market conditions for structured real estate securities and financing in general, which are expected to persist for some time, Crystal River's Board has been evaluating the Company's current investment strategy. Although Crystal River benefited from Mr. Lai's structured finance expertise, the Board believes that Mr. Powell's wide-ranging background in commercial real estate will better serve the Company prospectively.

"We are grateful for Clifford's dedicated service as CEO and, most recently, for his efforts in stabilizing Crystal River's financial position in one of the most challenging operating environments in recent history," said Bruce Robertson, Chairman of Crystal River's Board of Directors. "We welcome Bill Powell who brings with him in-depth expertise in both the commercial real estate equity and debt markets. We are confident that his experience and knowledge will greatly benefit Crystal River."

### About Crystal River

Crystal River Capital, Inc. (NYSE: CRZ) is a specialty finance REIT. The Company invests in commercial real estate, real estate loans, real estate-related securities, such as commercial and residential mortgage-backed securities, and other alternative asset classes. Crystal River focuses on opportunities across the real estate spectrum. For more information, visit [www.crystalriverreit.com](http://www.crystalriverreit.com).

### Forward-Looking Statements

This news release contains certain 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, including statements relating to Mr. Powell's and Mr. Lai's future contributions to Crystal River. Forward-looking statements that are based on various assumptions (some of which are beyond our control) may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "will," "believe," "expect," "anticipate," "continue," or similar terms or variations on those terms or the negative of those terms. Although we believe that the expectations contained in any forward-looking statement are based on reasonable assumptions, we can give no assurance that our expectations will be attained. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include future changes in the structure of Crystal River's management, Mr. Powell's and Mr. Lai's devotion of time to their other responsibilities within Brookfield Asset Management, changes in interest rates, changes in yield curve, changes in prepayment rates, the effectiveness of our hedging strategies, the availability of targeted investments for purchase and origination, the availability and cost of capital for financing future investments and, if available, the terms of any such financing, changes in the market value of our assets, future margin reductions and the availability of liquid assets to post additional collateral, changes in business conditions and the general economy, competition within the specialty finance sector, changes in government regulations affecting our business, our ability to maintain our qualification as a real estate investment trust for federal income tax purposes and other risks disclosed from time to time in our filings with the Securities and Exchange Commission. We do not undertake, and specifically disclaim any obligation, to publicly release any update or supplement to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

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