



Two Harbors Investment Corp. Completes Public Offering of Common Stock

NEW YORK, December 22, 2010 – Two Harbors Investment Corp. (NYSE Amex: TWO; TWO.WS) today announced the completion of its public offering of 12,500,000 shares of common stock and issuance of an additional 1,875,000 shares of common stock pursuant to the underwriters' full exercise of their over-allotment option. The total offering of 14,375,000 shares produced net proceeds of approximately \$128.4 million, after deducting underwriting discounts and estimated offering expenses.

The company expects to use the net proceeds from this offering to make additional acquisitions of residential mortgage-backed securities and other financial assets, and for other general corporate purposes.

Credit Suisse Securities (USA) LLC acted as sole book-runner for the offering. Barclays Capital Inc. acted as a co-lead manager. JMP Securities LLC, Keefe, Bruyette & Woods, Inc., and Ladenburg Thalmann & Co. Inc. served as co-managers in the offering.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of the company's securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.

About Two Harbors Investment Corp.

Two Harbors Investment Corp., a Maryland corporation, is a real estate investment trust that invests in residential mortgage-backed securities.

Cautionary Notice Regarding Forward-Looking Statements

This release may include statements and information that constitute "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, and we intend such forward-looking statements to be covered by the safe harbor provisions therein and are including this statement for purposes of invoking these safe harbor provisions. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance. The forward-looking statements made in this release include, but may not be limited to, estimates concerning offering expenses and expectations regarding use of proceeds.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks identified under the captions "Risk Factors," "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our public filings with the SEC, which are available on the SEC's website at www.sec.gov.

All written or oral forward-looking statements that we make, or that are attributable to us, are expressly qualified by this cautionary notice. We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

Contact

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