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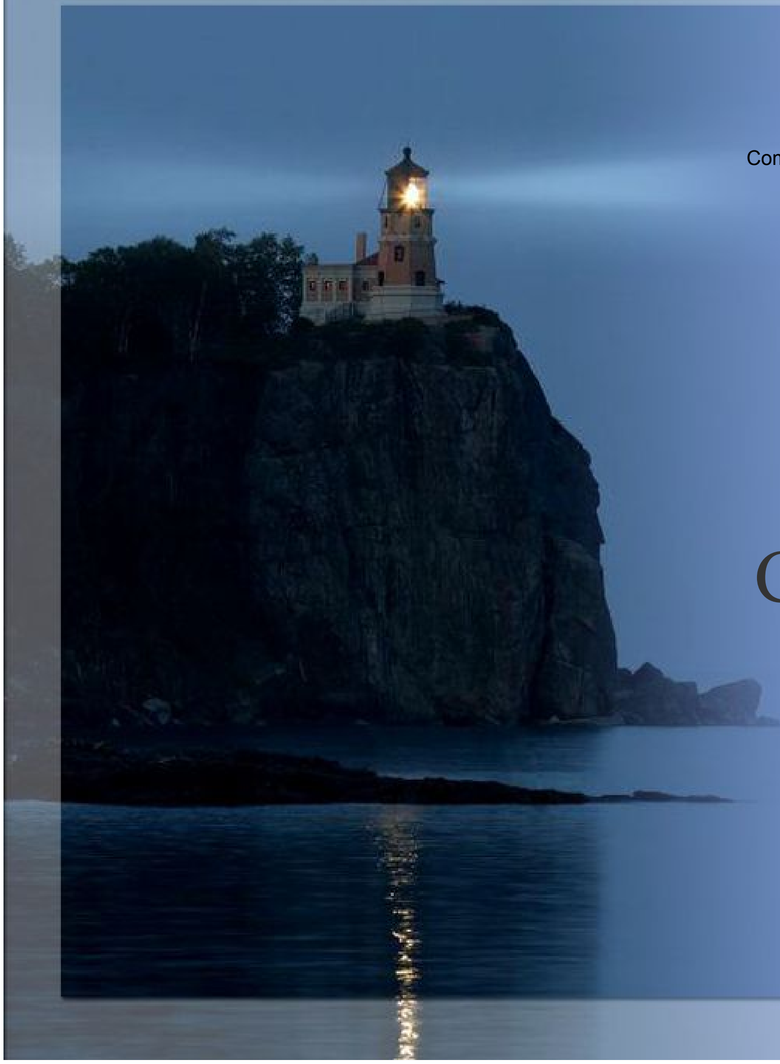


Two Harbors Investment Corp.

Investor Presentation

Capitol Acquisition Corp.

July 2009

Safe Harbor Statement

THIS PRESENTATION IS BEING PRESENTED BY CAPITOL ACQUISITION CORP. ("CAPITOL" OR "CLA"), PINE RIVER CAPITAL MANAGEMENT ("PINE RIVER") AND TWO HARBORS INVESTMENT CORP. ("TWO HARBORS").

NEITHER CAPITOL, TWO HARBORS NOR ANY OF ITS RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS PRESENTATION. THE SOLE PURPOSE OF THIS PRESENTATION IS TO ASSIST PERSONS IN DECIDING WHETHER THEY WISH TO PROCEED WITH A FURTHER REVIEW OF THE PROPOSED TRANSACTION DISCUSSED HEREIN AND IS NOT INTENDED TO BE ALL-INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PERSON MAY DESIRE IN CONSIDERING THE PROPOSED TRANSACTION DISCUSSED HEREIN. IT IS NOT INTENDED TO FORM THE BASIS OF ANY INVESTMENT DECISION OR ANY OTHER DECISION IN RESPECT OF THE PROPOSED TRANSACTION.

CAPITOL HAS FILED A PROXY STATEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND TWO HARBORS HAS FILED A REGISTRATION STATEMENT WITH THE SEC, IN EACH CASE THAT CONTAINS A PRELIMINARY PROXY STATEMENT/PROSPECTUS IN CONNECTION WITH THE PROPOSED TRANSACTION. STOCKHOLDERS AND WARRANT HOLDERS OF CAPITOL AND OTHER INTERESTED PERSONS ARE ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS IN CONNECTION WITH CAPITOL'S SOLICITATION OF PROXIES FOR THE SPECIAL MEETINGS BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING A DESCRIPTION OF THE SECURITY HOLDINGS OF THE CAPITOL OFFICERS AND DIRECTORS AND THEIR RESPECTIVE INTERESTS IN THE SUCCESSFUL CONSUMMATION OF THE PROPOSED TRANSACTION. THE DEFINITIVE PROXY STATEMENT/PROSPECTUS WILL BE MAILED TO CAPITOL STOCKHOLDERS AND WARRANT HOLDERS, AS THE CASE MAY BE, AS OF A RECORD DATE TO BE ESTABLISHED FOR VOTING ON THE PROPOSED TRANSACTION. STOCKHOLDERS AND WARRANT HOLDERS WILL ALSO BE ABLE TO OBTAIN A COPY OF THE DEFINITIVE PROXY STATEMENT/PROSPECTUS, WITHOUT CHARGE, BY DIRECTING A REQUEST TO: CAPITOL ACQUISITION CORP., 509 7TH STREET, N.W., WASHINGTON, D.C. 20004. FREE COPIES OF THESE DOCUMENTS, ONCE AVAILABLE, CAN ALSO BE OBTAINED, WITHOUT CHARGE, AT THE SEC'S INTERNET SITE (HTTP://WWW.SEC.GOV).

CAPITOL, TWO HARBORS, TWO HARBORS' EXTERNAL MANAGER AND THEIR RESPECTIVE DIRECTORS, EXECUTIVE OFFICERS, AFFILIATES AND OTHER PERSONS MAY BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES FOR THE SPECIAL MEETINGS OF CAPITOL STOCKHOLDERS AND CAPITOL WARRANT HOLDERS TO BE HELD TO APPROVE THE PROPOSED TRANSACTION. AS PART OF THE PROPOSED TRANSACTION, AN AFFILIATE OF CAPITOL'S FOUNDERS WILL BE PROVIDING CERTAIN SERVICES TO TWO HARBORS' EXTERNAL MANAGER PURSUANT TO WHICH SUCH ENTITY WILL BE PAID BY TWO HARBORS' EXTERNAL MANAGER A PERCENTAGE OF THE MANAGEMENT FEES TO BE PAID BY TWO HARBORS. ADDITIONALLY, THE UNDERWRITERS IN CAPITOL'S IPO CONSUMMATED IN NOVEMBER 2007 MAY ASSIST CAPITOL IN THESE SOLICITATION EFFORTS. THE UNDERWRITERS ARE ENTITLED TO RECEIVE DEFERRED UNDERWRITING COMPENSATION AND THE RIGHT TO PARTICIPATE IN FUTURE SECURITIES OFFERINGS BY TWO HARBORS UPON COMPLETION OF THE PROPOSED TRANSACTION. ADDITIONAL INFORMATION REGARDING THE INTERESTS OF POTENTIAL PARTICIPANTS IS INCLUDED IN THE PROXY STATEMENT/PROSPECTUS AND OTHER MATERIALS FILED BY CAPITOL AND TWO HARBORS WITH THE SEC.

THIS PRESENTATION SHALL NOT CONSTITUTE A SOLICITATION OF A PROXY, CONSENT OR AUTHORIZATION WITH RESPECT TO ANY SECURITIES OR IN RESPECT OF THE PROPOSED TRANSACTION.

THIS PRESENTATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES, NOR SHALL THERE BE ANY SALE OF SECURITIES IN ANY JURISDICTIONS IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. NO OFFERING OF SECURITIES SHALL BE MADE EXCEPT BY MEANS OF A PROSPECTUS MEETING THE REQUIREMENTS OF SECTION 10 OF THE SECURITIES ACT OF 1933, AS AMENDED.

Forward Looking Statements

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS INVOLVE NUMEROUS RISKS AND UNCERTAINTIES. TWO HARBORS' ACTUAL RESULTS MAY DIFFER FROM ITS EXPECTATIONS, ESTIMATES, AND PROJECTIONS AND, CONSEQUENTLY, YOU SHOULD NOT RELY ON THESE FORWARD-LOOKING STATEMENTS AS PREDICTIONS OF FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE NOT HISTORICAL IN NATURE AND CAN BE IDENTIFIED BY WORDS SUCH AS "ANTICIPATE," "ESTIMATE," "WILL," "SHOULD," "EXPECT," "BELIEVE," "INTEND," "SEEK," "PLAN," AND SIMILAR EXPRESSIONS OR THEIR NEGATIVE FORMS, OR BY REFERENCES TO STRATEGY, PLANS, OR INTENTIONS.

STATEMENTS REGARDING THE FOLLOWING SUBJECTS, AMONG OTHERS, ARE FORWARD-LOOKING BY THEIR NATURE: THE STATEMENTS (I) REGARDING THE PROPOSED TERMS AND STRUCTURE OF THE PROPOSED TRANSACTION, THE TERMS OF TWO HARBORS' SECURITIES UPON COMPLETION OF THE PROPOSED TRANSACTION AND THE PROPOSED TERMS AND STRUCTURE OF TWO HARBORS' MANAGEMENT AND ORGANIZATION UPON COMPLETION OF THE PROPOSED TRANSACTION; (II) REGARDING THE ESTIMATED BOOK VALUE OF TWO HARBORS UPON CLOSING OF THE PROPOSED TRANSACTION; (III) REGARDING TWO HARBORS' PROPOSED INVESTMENT STRATEGIES AND INVESTMENT GOALS, TARGETED INVESTMENTS AND THE OPPORTUNITIES FOR INVESTMENT; (IV) REGARDING CERTAIN EXPECTED MARKET TRENDS, INCLUDING THE ROLE PRIVATE CAPITAL IS EXPECTED TO PLAY IN FINANCING THE RESIDENTIAL MORTGAGE MARKET, THAT THE INCREASED SUPPORT AND INVOLVEMENT OF THE U.S. GOVERNMENT MAY OFFER POTENTIAL FOR ATTRACTIVE NON-RECOURSE FINANCING ALTERNATIVES IMPROVING INVESTMENT RETURNS, THAT AGENCY RMBS ARE LIKELY TO REMAIN AT LOW PRICES TO LIBOR FOR SOME TIME, AND THE PROJECTED PREPAYMENT SPEEDS OF CERTAIN ASSETS (INCLUDING THAT SOME PREPAYMENTS ARE LIKELY TO REMAIN SLOWER THAN PROJECTIONS); (V) THAT CERTAIN NON-AGENCY RMBS ARE PRICED AT LEVELS THAT COMPENSATE FOR CREDIT RISK AND HAVE UPSIDE TO POTENTIAL GOVERNMENT PROGRAMS PROVIDING NON-RECOURSE TERM FINANCING, AND CERTAIN AGENCY RMBS SPREADS ARE EXPECTED TO REMAIN WIDE; (VI) REGARDING TWO HARBORS' EXPECTATION TO GENERATE AN ATTRACTIVE ROE; (VII) REGARDING TWO HARBORS' ABILITY TO QUICKLY DEPLOY ITS CAPITAL AND THE PRICES AT WHICH AND THE EXTENT TO WHICH TWO HARBORS WILL INVEST ITS CAPITAL; (VIII) REGARDING TWO HARBORS' FINANCING STRATEGY AND USE OF LEVERAGE, INCLUDING TWO HARBORS' TARGET LEVERAGE RATIO AND POTENTIAL USE OF GOVERNMENT PROGRAMS; (IX) REGARDING THE EXPECTED TERMS OF THE TALF PROGRAM; AND (X) RELATING TO THE WARRANTS AS A POTENTIAL SOURCE OF CAPITAL GROWTH, INCLUDING THE BOOK VALUE OF TWO HARBORS POST WARRANT EXERCISE AND THE USE OF PROCEEDS BY TWO HARBORS UPON EXERCISE OF THE WARRANTS.

THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES. TWO HARBORS UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. IMPORTANT FACTORS, AMONG OTHERS, THAT MAY AFFECT ACTUAL RESULTS INCLUDE: UNCERTAINTIES AS TO THE TIMING OF THE PROPOSED TRANSACTION; APPROVAL OF THE PROPOSED TRANSACTION BY CAC'S STOCKHOLDERS AND WARRANT HOLDERS; THE SATISFACTION OF CLOSING CONDITIONS TO THE PROPOSED TRANSACTION; COSTS RELATED TO THE PROPOSED TRANSACTION; CHANGES IN ECONOMIC CONDITIONS GENERALLY, CHANGES IN TWO HARBORS' INDUSTRY AND CHANGES IN THE COMMERCIAL FINANCE AND THE REAL ESTATE MARKETS SPECIFICALLY; LEGISLATIVE AND REGULATORY CHANGES; AVAILABILITY OF DEBT AND EQUITY CAPITAL TO TWO HARBORS ON FAVORABLE TERMS, OR AT ALL; AVAILABILITY OF SUITABLE INVESTMENT OPPORTUNITIES THAT SATISFY TWO HARBORS' INVESTMENT OBJECTIVES AND STRATEGIES; EXPECTATIONS REGARDING THE TIMING OF GENERATING REVENUES; THE DEGREE AND NATURE OF TWO HARBORS' COMPETITION; TWO HARBORS' DEPENDENCE ON ITS MANAGER AND INABILITY TO FIND A SUITABLE REPLACEMENT IN A TIMELY MANNER, OR AT ALL, IF TWO HARBORS OR ITS MANAGER WERE TO TERMINATE THE MANAGEMENT AGREEMENT; CHANGES IN THE RELATIONSHIPS AMONG, OR THE BUSINESS OR INVESTMENT OBJECTIVES AND STRATEGIES OF, AND CONFLICTS OF INTEREST AMONG, TWO HARBORS AND PINE RIVER, INCLUDING THE MANAGER; LIMITATIONS IMPOSED ON TWO HARBORS' BUSINESS BY ITS EXEMPTIONS UNDER THE 1940 ACT; CHANGES IN INTEREST RATES AND INTEREST RATE SPREADS; THE PERFORMANCE, FINANCIAL CONDITION AND LIQUIDITY OF BORROWERS; INFLATION; CHANGES IN GAAP; CHANGES IN PERSONNEL AND LACK OF AVAILABILITY OF QUALIFIED PERSONNEL; MARKET TRENDS; POLICIES AND RULES APPLICABLE TO REITS; AND OTHER FACTORS NOT PRESENTLY IDENTIFIED.

Transaction Highlights

Opportunity

- Capitol Acquisition (NYSE Amex: CLA) to merge with a subsidiary of Two Harbors Investment Corp., a newly created mortgage REIT to capitalize on severe dislocation in the residential mortgage backed securities (RMBS) market.
- At current CLA price, an investor creates a share in Two Harbors at 1.02x initial Book Value vs. 1.26x trading average for non-Agency public peers.[1]

Proven Manager with Strong Track Record

- Externally managed by PRCM Advisers, an affiliate of Pine River, a global fixed-income focused asset manager.
- Since February 2008 inception, Pine River's RMBS strategy has returned 111.7% life to date net of fees and 69.8% annualized net of fees[2] with no negative months.
- Team and infrastructure in place to rapidly invest proceeds and manage future growth.
- Attractive 1.5% management fee structure with no additional performance fees.

(1) Assumes no shareholder conversions. The impact of this benefit is reduced in the case of maximum shareholder conversions. Please see slide 24 entitled "Comparables: Non-Agency and Agency REITS" for more information.
(2) For more information with respect to the performance of Pine River's RMBS strategy including key assumptions used in deriving such performance, please see slide 8 entitled "Pine River's RMBS Strategy Historical Returns".

Transaction Highlights

Compelling Targeted Returns	▪ With no legacy assets, Two Harbors is positioned to invest 100% of Capitol's trust fund proceeds into RMBS with potential for attractive risk adjusted returns and Return on Equity (ROE). ▪ Cross-product approach targeting all sub-sets of the RMBS market enables Two Harbors to best capture inefficiencies. ▪ Expected government financing programs such as TALF II[1] (if expanded to RMBS) could increase return on equity.
Pro Forma Ownership	▪ Capitol's public shareholders to own 100% of Two Harbors post completion. ▪ Expected market capitalization of $254 million based on 26.25 million common shares and current stock price of $9.69[2] (reduced by the amounts converted by stockholders exercising their conversion rights and the amounts that may be used to enter into forward or other contracts to purchase shares of Capitol). ▪ Warrants struck at $11.00 provide accretive growth capital.

(1) Term Asset-Backed Securities Loan Facility (TALF).
(2) As of July 6, 2009 closing price.

Overview of Pine River Capital Management

Global multi-strategy asset management firm providing comprehensive portfolio management, transparency and liquidity to institutional and high net worth investors.

- Founded June 2002 with offices in New York, London, Hong Kong, San Francisco and Minnesota.
- Over $900 million assets under management[1].
  - Experienced manager of non-Agency, Agency and other mortgage related assets.
  - Pine River has never suspended or withheld cash from investors.

<u>Experienced, Cohesive Team</u>:

- Six partners together for average of 14 years.
  - Average 18 years hedge fund experience.
- 55 employees, 19 investment professionals.
- No senior management turnover.
- Historically low attrition.

<u>Established Infrastructure</u>:

- Strong corporate governance.
- Registrations: SEC/NFA (U.S.), FSA (U.K.), SFC (Hong Kong), SEBI (India) and TSEC (Taiwan).
- Proprietary technology.
- Global footprint.

Minnetonka, MN • London • Hong Kong • San Francisco • New York

(1) Estimate as of July 1, 2009.

The Two Harbors Team

Management Team

- Tom Siering, CEO.
- Jeff Stolt, CFO.
- Steve Kuhn, Co-Chief Investment Officer.
- Bill Roth, Co-Chief Investment Officer.
- Tim O'Brien, General Counsel.
- Andrew Garcia, VP Business Development.

Board of Directors

- Board consists of seven directors, majority independent, including:
  - Chairman, Brian Taylor, CEO and Founder, Pine River;
  - Vice-Chairman, Mark Ein, CEO, Capitol;
  - Director, Tom Siering, Partner, Pine River; and
  - Four independent directors.

Pine River's RMBS Strategy Historical Returns

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Net Monthly Return	N/A	2.93%	1.26%	2.83%	4.10%	4.09%	2.49%	2.11%	9.56%	2.46%	3.26%	4.32%
Net Annual Return	N/A	2.93%	4.23%	7.18%	11.57%	16.13%	19.02%	21.52%	33.15%	36.42%	40.87%	46.95%

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09 (Estimate)	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Net Monthly Return	8.50%	5.01%	4.48%	5.09%	6.40%	8.24%						
Net Annual Return	8.50%	13.94%	19.04%	25.10%	33.12%	44.07%						

Annualized Net Life to Date Return	69.79%	3 Month Net Return	21.03%
Annualized Standard Deviation	8.28%	6 Month Net Return	44.07%
Positive Months	17/17	12 Month Net Return	82.29%
		LTD Net Return	111.70%

Nisswa Fixed Income Master Fund Ltd. Estimated July 1, 2009 Assets Under Management	$263.2 Million

Beginning in September 2008, the data reflects, on an unaudited basis, the actual performance of Nisswa Fixed Income Master Fund Ltd.

For the period from February 2008 to August 2008, Pine River's fixed income strategy was conducted through Nisswa Master Fund Ltd., a multi-strategy hedge fund that focuses on both investment grade and non-investment grade global convertible arbitrage, capital structure arbitrage, SPAC warrant arbitrage and fixed income arbitrage. The performance data shown above for the period February 2008 to August 2008 is derived from the strategy attribution contained in the monthly investor reports of Nisswa Master Fund Ltd. which separately reported on the results of this strategy, except that the performance information shown above reflects the payment of full incentive fees to the manager, even if such fees were not paid. The strategy performance information is based on a number of important assumptions with respect to the allocation of leverage, stock loan fees and interest income and expenses. For example, Pine River allocated fund leverage and expenses among Nisswa Master Fund Ltd.'s various strategies based on margin requirements across the positions in each strategy. The performance information shown in the table above beginning in September 2008 reflects the actual performance of Nisswa Fixed Income Master Fund Ltd.

The investment strategy of each of Nisswa Fixed Income Master Fund Ltd. and the RMBS strategy component of Nisswa Master Fund Ltd. is different from the investment strategy that Two Harbors intends to employ in several important respects. Nisswa Fixed Income Master Fund Ltd. (and before September 2008 the RMBS strategy component of Nisswa Master Fund Ltd.) traded actively in fixed-rate, adjustable and interest only securities, Collateralized Mortgage Obligations, trades in mortgage backed securities to be delivered by a U.S. government-sponsored mortgage entity at a future date, and equity investments in REITs, and actively hedged its trading positions. By contrast, Two Harbors initially seeks to invest in Agency and non-Agency RMBS and assets other then RMBS with a buy-and-hold emphasis. In addition, whereas Nisswa Master Fund Ltd. and Nisswa Fixed Income Master Fund Ltd. charge a 1.5% management fee as well as a 20% incentive fee, Two Harbors will only pay a 1.5% management fee. Two Harbors' investment strategy may differ from that of Nisswa Fixed Income Master Fund Ltd. additionally, in that it may use greater leverage with regard to its investments in Agency RMBS. Further, unlike Two Harbors, Nisswa Fixed Income Master Fund Ltd. is not constrained by limitations on its investment strategies that are necessary in order to qualify as a REIT that is exempt from registration under the Investment Company Act of 1940. Accordingly, past performance is not indicative of future results. Two Harbors is not expected to experience returns, if any, comparable to those experienced by investors in Nisswa Fixed Income Master Fund Ltd. or the RMBS strategy component of the Nisswa Master Fund Ltd.

Return on capital is calculated based on average monthly capital, not beginning of month capital. Assumes a 1.5% management fee and 20% incentive fee.

Two Harbors Investment Approach

- Holistic approach across non-Agency and Agency RMBS.
- Continuous top-down market assessment to identify most attractive segments.
- Detailed analyses to find the most mispriced securities.
- Find and invest in smaller opportunities often ignored by larger funds.
- Strong focus on risk management to preserve value and maximize returns.

Market Opportunity

Two Harbors will be positioned to capitalize upon severe dislocations in the $11.0 trillion U.S. mortgage market.[1]

- Traditional providers of capital have left the market.
  - Fannie Mae & Freddie Mac, historically the overseers of relative value and effectively the world's two largest mortgage "hedge funds", cannot participate in the current price discrepancies.
  - The capital bases of traditional market participants such as proprietary trading desks and hedge funds have been reduced.
- Continued forced selling by remaining participants has led to significant price declines.

(1) FBR Miller.

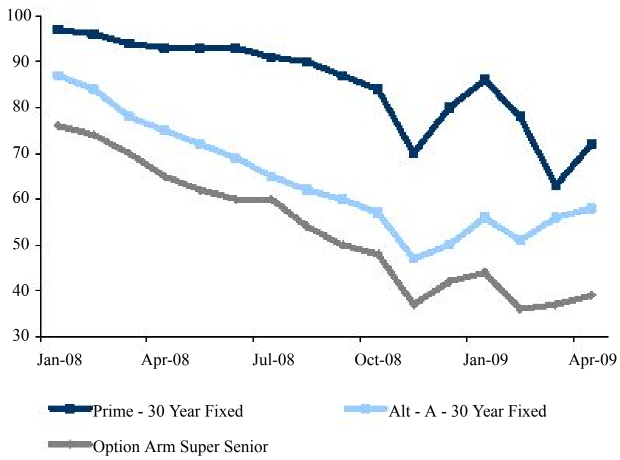
Market Opportunity

Significant opportunities in both non-Agency and Agency securities.

Non-Agency securities are trading at low prices.

Agency securities are trading at wide spreads to LIBOR and are likely to remain wide for some time.

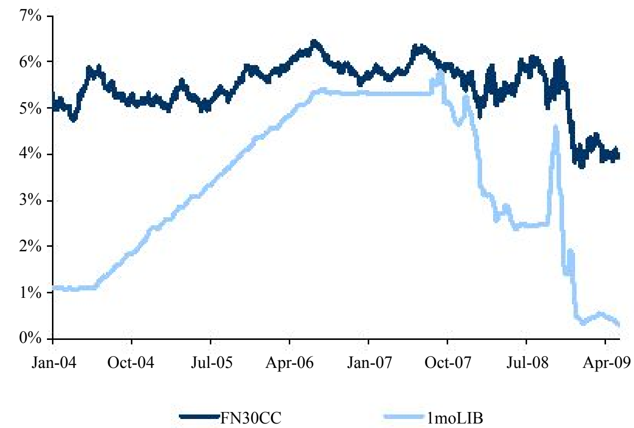
Historical Pricing on Senior Non-Agency Securities



Source: Amherst Securities.
Note: All prices are indicative month-end levels for 2006 / 2007 vintages.

Agency Spreads

FN 30-yr Current Coupon vs. LIBOR



Source: UBS Mortgage Strategy.

Hypothetical Portfolio

In the discussions leading up to the execution of the merger agreement, Two Harbors presented the following hypothetical portfolio information to the Board of Directors of Capitol for its consideration and review. This hypothetical portfolio information has not been updated to include subsequent developments reflected elsewhere in this investor presentation. Such hypothetical portfolio information does not represent any actual assets held or borrowings made by Two Harbors. Instead, the presentation illustrates the types and performance characteristics of a portfolio of assets that Two Harbors believes should be available for purchase in the market and illustrates the costs of borrowings that Two Harbors believes should be available upon completion of the merger. There can be no assurance that a portfolio of the type presented will be available for purchase upon consummation of the merger at the prices assumed or that borrowings will be available on the assumed terms. In addition, the returns from the portfolio are based on a number of assumptions detailed below. Actual results will be impacted by the risks inherent in any mortgage-backed securities portfolio and will vary from the amounts shown in the presentation below.

Hypothetical Portfolio[1]

($ in millions)

Estimated shareholder equity: $251.1

	% of Equity										
Security Type	Low	Mid	High	Equity	Haircut[2]	Assets	Yield	Finance Rate	Interest Income[3]	Interest Expense	Return on Equity
Agency hybrids	15%	20%	25%	$50.2	10%	$502.1[4]	4%	1.0%	$20.1	($4.5)[5]	31.0%
Non-Agency super senior	35%	45%	55%	113.0	100%	113.0	16%	–	18.1	–	16.0%
Non-Agency mezzanine	10%	20%	30%	50.2	100%	50.2	30%	–	15.1	–	30.0%
MBS derivatives	5%	15%	25%	37.7	100%	37.7	40%	–	15.1	–	40.0%
		100%		$251.1		$703.0			$68.3	($4.5)	25.4%

Total leverage: 1.8x

(1) Actual results will be impacted by the risks inherent in any mortgage backed securities portfolio, including by the matters discussed in the Proxy Statement/Prospectus under "Risk Factors." Investors are urged to read this document in its entirety, including the sectionunder "RiskFactors." Assumes no shareholder conversions.
(2) Haircut is defined as the percent of market value one must pledge as collateral to finance a security.
(3) The following assumptions relating to prepayment, defaults and losseswere used for each asset type: AgencyHybrids: 15Constant Prepayment Rate (CPR); Non-Agency Super Senior: 1 CPR, 30 Constant Default Rate (CDR), 70 Loss Severity; Non-Agency Mezzanine: 4 CPR, 15 CDR, 70 Loss Severity; MBS Derivatives: 25 CPR. CPR refers to the percentage of borrowers that refinance or prepay loans on an annualized basis, CDR refers to the percentage of borrowers that default on loans on an annualized basis and Loss Severity refers to the percentage of total net loss of a loan at the time of default.
(4) Assumes borrowings of nine times invested equity.
(5) Assumes One Month LIBOR at 31 basis points.

Non-Agency Discount Example

This bond does not represent an actual asset held by Two Harbors. Instead, the presentation illustrates the analysis PRCM Advisors expects to perform in analyzing potential bonds for purchase by Two Harbors. There can be no assurance that an asset of the type presented will be available for purchase upon consummation of the merger at the assumed price, or at all.

Illustrative non-Agency Security Investment

SUPER SENIOR BONDS
27.8%-100%

SUPPORT BONDS

Security

- Super Senior Bond backed by Option Arm Collateral (CWALT 2006-OA17 2A1).
  - First 27.8% of loss is absorbed by junior bonds.
  - Receives protection from the Senior Support and Subordinate bonds from credit losses.
  - Pays a coupon of COFI[2] + 150bps, where most Option Arms pay 1mo Libor + a smaller margin.

Assumptions

- Voluntary CPR[1] of 1, which implies only 1% of the people in the trust (annually) will be able to refinance.
- A constant default rate of 35, which means 35% of the trust per year will be defaulted.
- Loss severity of 70%, which assumes all loans liquidated out of the trust will trade for 30 cents on the dollar.

Risk / Reward Profile of this Bond

- Purchase price: $34.00.
- Yield: 18.5 percent.
- Implied liquidation % of the entire pool: over 95 percent.
- Implied total % loss on the collateral: 66.7 percent.

Yields at Various Loss Severity Assumptions [2]

Dollar Price	50%	55%	60%	65%	70%	75%
$34	44.0%	37.0%	31.0%	25.0%	18.0%	12.0%

(1) Constant prepayment rate.
(2) Other assumptions: 1% voluntary CPR, 35 CDR, Cost of Funds Index (“COFI”) flat at 1.38%.

The TALF Program – Potential Catalyst

Non-recourse term financing, such as that contemplated by TALF II, could have an impact on expected Return on Equity.

- Currently available for select Asset Backed and Commercial Mortgage Backed securities.
- Treasury has proposed expansion to include "certain non-Agency residential mortgage backed securities".[1]
- Key loan aspects expected to include:
  - Non-recourse financing;
  - Possible terms of up to 5-years[2];
  - Haircuts and spreads based on average life and type of asset; and
  - Reduced spreads on loans benefiting from government guarantees.

(1) The timing of the expansion of the TALF to Non-Agency RMBS and the terms of such expansion have not yet been published by the U.S. Treasury. There can be no assurance that TALF will be so expanded or if so expanded that TALF will offer financing terms that will be attractive to Two Harbors.
(2) If TALF were expanded to RMBS, this assumes the term would follow the TALF expansion to CMBS.

Prepayment Cycle Creates Pricing Opportunities

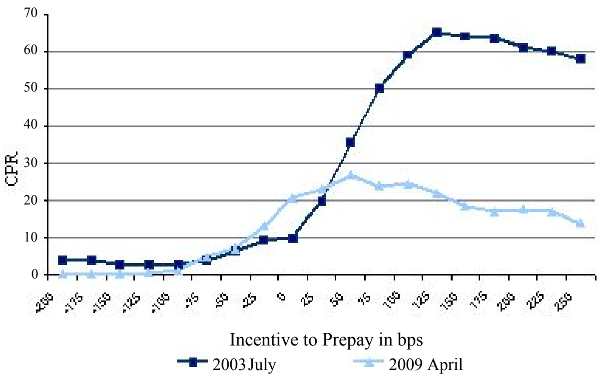
Prepayment speeds remain slower than 2003 despite government intervention.

- Capacity constraints of mortgage originators.
- Significant declines in homeowners equity reduces borrower's ability to access funding.

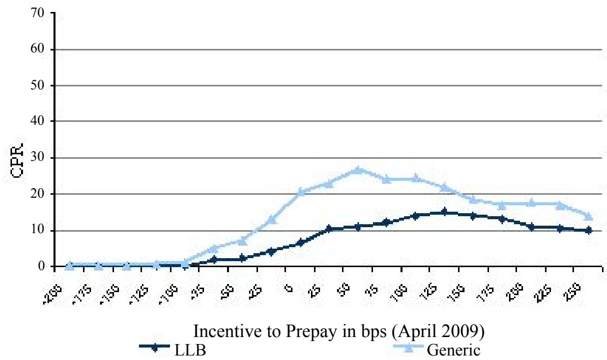
Some prepayments likely to remain slower than projections.

- Low Loan Balance(LLB)– Fixed costs reduce borrower's incentive; busy brokers avoid low-fee business.
- Fixed costs represent higher barriers to smaller borrowers.

Fannie 30-yr. Prepayment Curves



Fannie 30-yr Prepayment Curves by Loan Attributes



Source: Merrill Lynch Fixed Income Strategy and J.P. Morgan Securities Inc.

Agency Inverse IO Example

This bond does not represent an actual asset held by Two Harbors. Instead, the presentation illustrates the analysis PRCM Advisors expects to perform in analyzing potential bonds for purchase by Two Harbors. There can be no assurance that an asset of the type presented will be available for purchase upon consummation of the merger at the assumed price, or at all.

Agency Inverse IO Bond Example

Agency Inverse IO bonds are an inherently levered way to take advantage of slow prepayment speeds on specific types of collateral pools, such as LBs.

Loan Size Data (as of July 2009)

Average		Original	
Original	Current	Minimum	Maximum
$68,300	$64,700	$21,000	$85,000

Yields at Various Prepayment Speeds

	5 CPR	15 CPR	25 CPR	35 CPR	45 CPR	53 CPR
Price 10-03	61.0%	53.0%	45.0%	31.0%	14.0%	(1.0%)

Constant Prepayment Rates (CPRs)

	1 month
Jul-09	24.3
Jun-09	17.9
May-09	18.6
Apr-09	14.4
Mar-09	18.4
Feb-09	13.2
Jan-09	8.1
Dec-08	5.6
Nov-08	9.3
Oct-08	8.1
Sep-08	7.2
Aug-08	8.4

Pine River Offers Extensive MBS Expertise

Pine River's RMBS strategy has returned 111.7% life to date net of fees and 69.8% annualized net of fees since inception, February 2008.[1]

Two Harbors' Co-Chief Investment Officers

- Steve Kuhn – Partner and Head of Fixed Income Trading.
  - Goldman Sachs Portfolio Manager from 2002 to 2007.
  - 16 years investing in and trading mortgage backed securities and other fixed income securities for firms including Goldman Sachs Asset Management, Citadel and Cargill.
- Bill Roth – Portfolio Manager.
  - Citi and Salomon Brothers 1981 – 2009; Managing Director since 1997.
  - Managing Director in the bank's proprietary trading group managing MBS and ABS portfolios.

- Jiayi Chen – Trader.
  - Formerly Goldman Sachs Asset Management, risk management.
- Brendan McAllister – Trader.
  - Formerly UBS Securities, member of top mortgage sales team.
- Diana Denhardt – Repo Funding Analyst.
  - 20 years financing experience at EBF & Associates and Cargill.

- Supported by 35 operational and administrative professionals, including:
  - 11 member accounting team;
  - 3 member legal team;
  - 7 member operations and settlement team; and
  - 6 member software development team.

(1) For more information with respect to the performance of Pine River's RMBS strategy including key assumptions used in deriving such performance, please see slide 8 entitled "Pine River's RMBS Strategy Historical Returns".

Two Harbors Investment Team Goals

- Create highest return on equity in the mortgage REIT sector.

- Capture significant capital appreciation resulting from government policies, including if TALF is expanded to cover RMBS.

- Maintain investment flexibility across entire RMBS sector to best take advantage of opportunities as the mortgage market evolves.

Opportunity for Investors

Capitol's common stockholders expected to create Two Harbors at or near Book Value.

Estimated Value at Closing

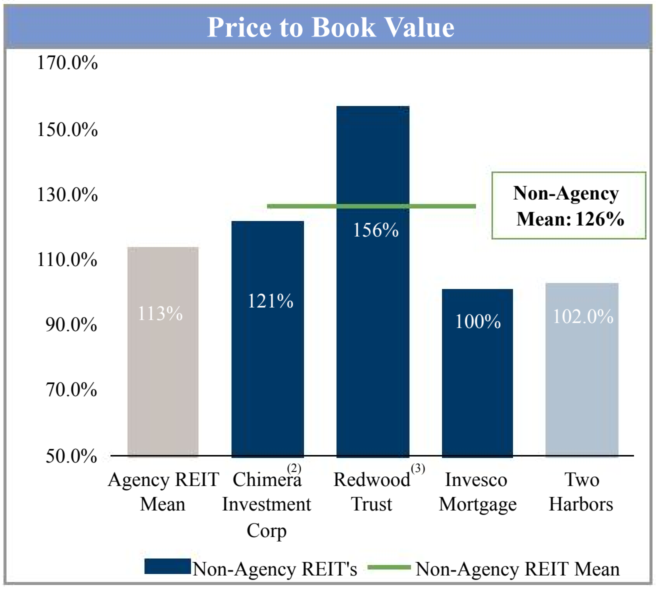
August/September 2009

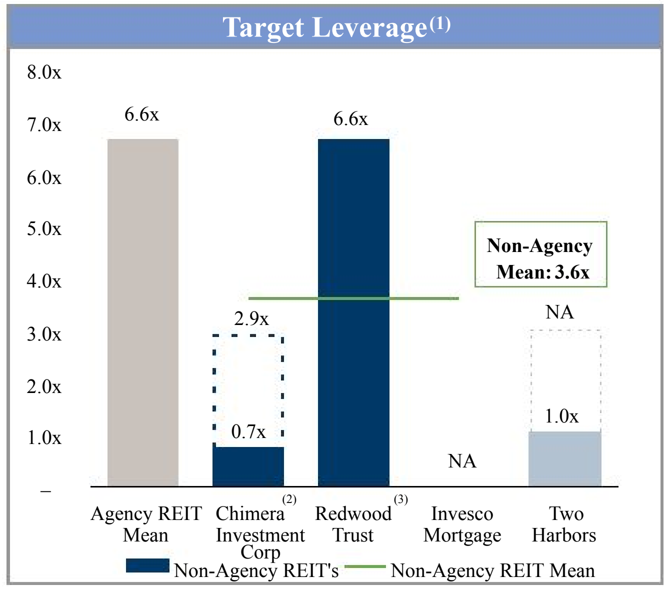
Valuation Summary	
($ in millions, except per share amounts)	
Assumed Price Per Share (1)	**$9.69**
Fully Diluted Shares (treasury method)	26.25
Fully Diluted Equity Value	**$254.4**
Cash and Cash Equivalents	$2.6
Add: Cash Held in Trust	$259.1
Less: Estimated Transaction & Other Expenses	$12.8
Initial Book Value	$248.9
Initial Book Value Per Share (2)	$9.48
Assumed Price/Initial Book Value	**1.02x**

Note: Balance sheet as of March 31, 2009, balances and estimates subject to change.
(1) As of July 6, 2009.
(2) Assumes 100% of sponsors' promote shares retired, existing 33.2 million warrants amended to an out-of-the-money strike price of $11.00 and no shareholder conversions.

Opportunity for Investors

Efficient structure creates Two Harbors at a lower Price to Book Value, using less leverage than other publicly traded residential mortgage REITs.





Note: Agency REIT Mean comprised of American Capital Agency, Annaly Mortgage, Anworth Mortgage, Capstead Mortgage, Cypress Sharpridge Investments, Hatteras Financial and MFA Mortgage. Non-Agency REIT Mean comprised of Chimera Investment Corp., Invesco Mortgage and Redwood Trust. Prices as of July 6, 2009.

(1) Target Leverage defined here as Total Liabilities divided by Total Equity.

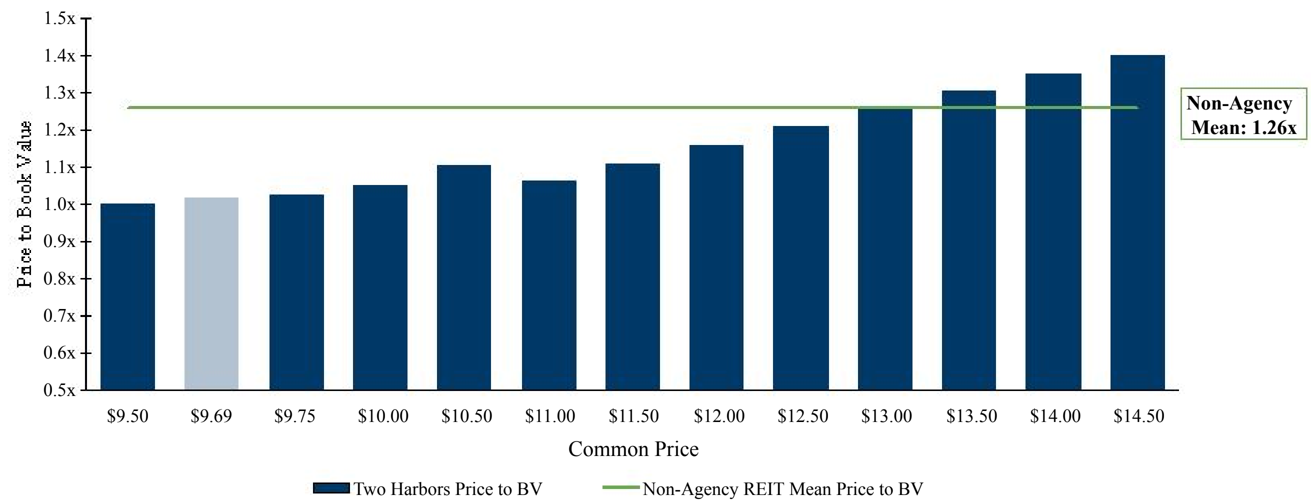
(2) Current leverage of 0.7x pro forma for recent equity offerings. Unadjusted for the equity offerings, target leverage would be 2.9x.

(3) Current leverage of 6.6x pro forma for recent equity offering. Unadjusted for the equity offering, target leverage would be 9.6x.

Opportunity for Investors

Transaction expected to create Two Harbors closer to Book Value than would be possible in a traditional IPO or through secondary market purchases.

Price to Book Value



Note: Assumes 100% of sponsors' promote shares retired, existing 33.2 million warrants amended to an out-of-the-money strike price of $11.00 and no shareholder conversions. The impact of this benefit is reduced in the case of maximum shareholder conversions.

Investment Summary

Market Opportunity	▪ Severe dislocation has led to capital outflows and potential investment opportunities throughout the sector. ▪ Government programs to inject liquidity into market provides additional upside.
Investment Team	▪ Deep, broad experience and disciplined investment approach. ▪ Generated 111.7% life to date net of fees and 69.8% annualized net of fees(1) and no negative return months since Steve Kuhn launched Pine River's RMBS strategy in February 2008.
Structure Creates Attractive Return Profile	▪ CLA's public stockholders expected to create Two Harbors at 1.02x initial Book Value vs. 1.26x average for non-Agency public peers(2). ▪ High targeted return on equity with moderate leverage.
Building Next Great Mortgage REIT	▪ Highly experienced team of mortgage specialists brought together to create next great mortgage REIT franchise.

(1) For more information with respect to the performance of Pine River's RMBS strategy including key assumptions used in deriving such performance, please see slide 8 entitled "Pine River's RMBS Strategy Historical Returns".

(2) Assumes no shareholder conversions. The impact of this benefit is reduced in the case of maximum shareholder conversions. Please see slide 24 entitled "Comparables: Non-Agency and Agency REITS" for more information.

Appendix

Comparables: Non-Agency and Agency REITs

($ in millions, except per share data)

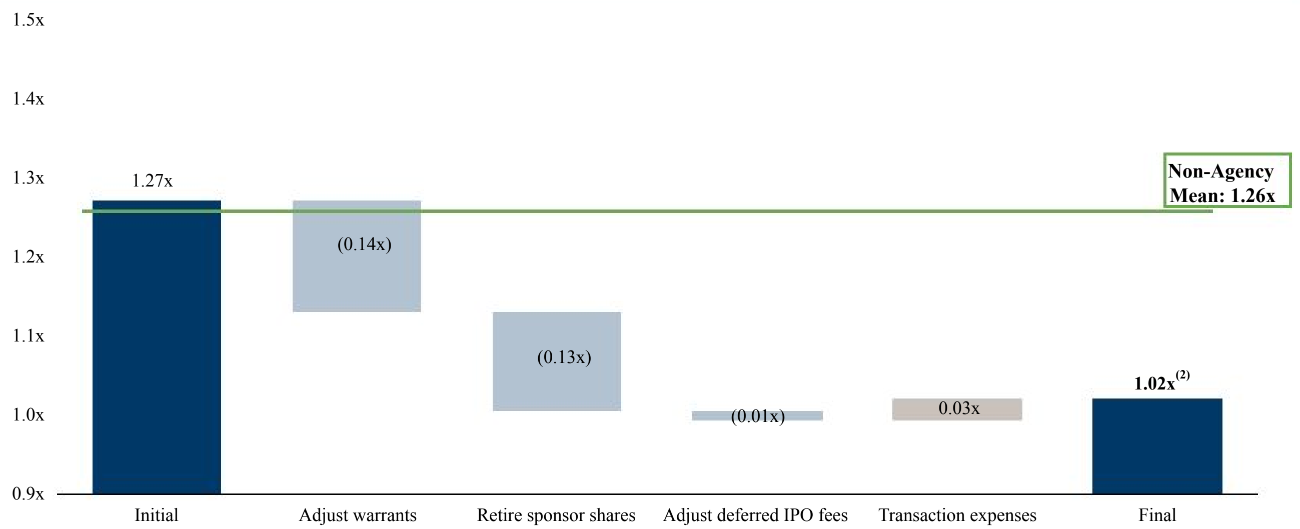
Company	Ticker	Price 07/06/09	Market Cap	Price / 2009E EPS[1]	Price / 2010E EPS[1]	Price / Book	Div. Yield: Most Recent[2]	Debt / Equity[3]	% Agency	Expense Ratio[4]
Non-Agency REITs										
Chimera Investment Corp.[5]	CIM	$3.43	$2,299	8.2x	6.4x	1.21x	9.3%	0.7x	39%	3.4%
Redwood Trust[6]	RWT	15.00	1,162	30.6	8.3	1.56	6.7	6.6	0	8.3
Invesco Mortgage Capital Inc.[7]	IVR	19.55	196	NA	NA	1.00	NA	NA	NA	NA
			Mean	**19.4x**	**7.4x**	**1.26x**	**8.0%**	**3.6x**		**5.9%**
Agency REITs										
Annaly Mortgage	NLY	$15.50	$8,437	6.4x	6.5x	1.06x	15.5%	6.4x		1.5%
MFA Mortgage	MFA	7.00	1,559	6.9	6.4	1.14	14.3	6.2		1.6
Hatteras Financial	HTS	28.02	1,014	6.1	6.0	1.26	15.7	7.1		1.5
Capstead Mortgage	CMO	12.85	816	5.4	5.4	1.24	18.1	8.4		1.8
Anworth Mortgage	ANH	7.29	741	6.0	6.1	1.09	16.5	6.7		2.2
American Capital Agency	AGNC	22.39	336	5.1	6.2	1.16	26.8	7.3		3.3
Cypress Sharpridge Investments	CYS	11.95	200	5.0	NA	0.97	NA	3.9		3.3
			Mean	**5.8x**	**6.1x**	**1.13x**	**17.8%**	**6.6x**		**2.0%**
			Overall Mean	**12.6**	**6.7x**	**1.20x**	**12.9%**	**5.1x**		**3.9**

Source: SNL Financial, FactSet and company filings.
Note: REIT Means calculated using the average of the non-Agency peer group mean and the Agency peer group mean. Prices as of July 6, 2009.
(1) Based on IBES consensus estimates, where available.
(2) Most recent announced quarterly dividend annualized, divided by current share price.
(3) Debt / Equity Leverage defined here as Total Liabilities divided by Total Equity.
(4) Expense ratio is all non-interest expense less non-recurring expenses and any provisions for loan losses divided by end of period total equity for the most recent quarter.
(5) Pro forma for $851m equity offering (including private placement) on 4/15/2009 and for $622m follow-on on 05/26/09.
(6) Pro forma for $250m equity offering on 05/26/09.
(7) Market cap includes Invesco Ltd private placement (1.5m shares offered at IPO price of $20.00). Book value net of gross spread paid by IVR of 1.5% of public offering and other IPO expenses of $1.9m. Excludes over-allotment.

We de-SPAC the SPAC

By re-striking warrants at $11.00, retiring the sponsor shares, and restructuring the deferred fees, we de-SPAC the SPAC.

Current CLA Share Price[1] Multiple of Book Value



(1) As of July 6, 2009 closing price.
(2) Assumes no shareholder conversions. The impact of this benefit is reduced in the case of maximum shareholder conversions.

Restructured Warrants Source of Growth Capital

Warrant strike price to be amended to $11.00.

- Consent requires majority of warrant holders.
- Any cash warrant exercises will be at a premium to the initial liquidation value.
- Proceeds expected to be redeployed in accretive investments.

Warrant Exercise

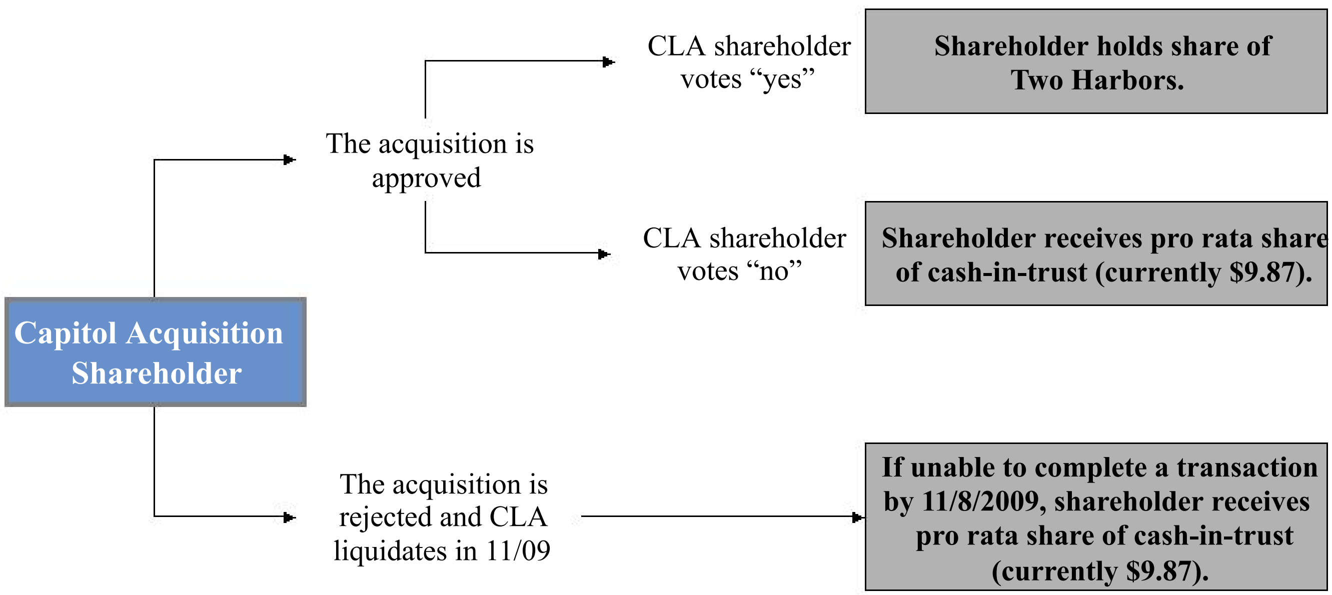
($ in millions, except per share data)

	Pre	Post
Book Value	$248.9	$614.6
Basic Shares Outstanding (mm)	26.25	59.50
Book Value per Share	$9.48	$10.33
% Increase		8.9%

Note: Assumes re-strike of 33.249 million warrants at $11.00, no shareholder conversions and exercise of all warrants for cash. However, 7,000,000 warrants each relating to one share of stock of Two Harbors, which will be held by CLA's sponsors following the consummation of the merger, are exercisable on a cashless basis. If these warrants are exercised, the Book Value per Share would be less than $10.33 due to dilution and the greater the price of Two Harbors' stock price at the time of exercise of these warrants, the greater the dilutive impact.

Capitol Shareholder Options

Holders of record of CLA stock have the option of receiving a share of Two Harbors or a pro rata distribution of the cash held in CLA's trust (currently $9.87).



Experienced Team

Brian Taylor, Chairman. Brian Taylor founded Pine River in 2002 and is responsible for management of the business and oversight of the funds. Prior to Pine River's inception, Brian was with EBF & Associates from 1988 to 2002; he was named head of the convertible arbitrage group in 1994 and Partner in 1997. His responsibilities included portfolio management, marketing, product development, and trading information systems development. He holds a B.S. from Millikin University in Decatur, Illinois and an M.B.A. from the University of Chicago and passed the Illinois CPA exam.

Mark D. Ein, Vice-Chairman. Mark Ein has served as CEO of Capitol Acquisition Corp. since its inception in November 2007. Mark is the Founder and CEO of Venturehouse Group, LLC, a technology holding company that creates, invests in and builds technology, communications and related business services companies. Notable portfolio companies include Matrics Technologies, sold to Symbol Technologies in 2004; Cibernet Corporation, sold to MACH S.a.r.l in 2007; and an early investment in XM Satellite Radio. He is also the President of Leland Investments, a private investment firm. Mark is also Co-Chairman and majority owner of Kastle Systems, a leading provider of building and office security systems. Mark is also the Founder and Owner of the Washington Kastles, the World Team Tennis franchise in Washington, D.C. From 1992 to 1999, Mark was a Principal with The Carlyle Group. Prior to Carlyle, Mark worked at Brentwood Associates and Goldman, Sachs (in the commercial MBS group). Mark holds a B.S. from the University of Pennsylvania's Wharton School of Finance and an M.B.A. from the Harvard Business School.

Thomas Siering, Chief Executive & Director. Prior to joining Pine River in 2006, Tom was head of the Value Investment Group at EBF & Associates in Minnetonka, MN from 1999 until 2006. He was the portfolio manager for Merced Partners, LP and Tamarack International Limited during that period. Tom was named a partner of EBF in 1997. He supervised a staff of thirteen people located both in Minnesota and London. This staff was comprised of traders, analysts and support personnel. Tom joined EBF in 1989 as a Trader. Prior to his employment at EBF, from 1987 to 1989, Tom held various trading positions in the Financial Markets Department at Cargill, Inc. From 1981 until 1987 Tom was employed in the Domestic Soybean Processing Division at Cargill in both trading and managerial roles. Tom holds a B.B.A. from the University of Iowa with a major in Finance.

Steve Kuhn, Co-Chief Investment Officer. Prior to joining Pine River in 2008, Steve was a Vice President and Portfolio Manager at Goldman Sachs based in New York and Beijing from 2002 to 2007, where he was part of a team that managed approximately $40 billion in mortgage backed securities. From 1999 to 2002, Steve was a Japanese convertible bond trader at Citadel Investment Group in Chicago. Prior to that, he was head of mortgage backed securities trading at Cargill. He has 16 years mortgage-related trading experience. Steve holds a B.A. in Economics with Honors from Harvard.

Bill Roth, Co-Chief Investment Officer. Bill has 28 years of experience in the Fixed Income Markets, with specific expertise in mortgage-backed and asset-backed securities. Prior to joining Pine River in 2009, Bill was Managing Director at Citigroup and its predecessor firm, Salomon Brothers Inc. From 2004 to 2009, Bill managed a proprietary trading book at Citigroup with particular focus on mortgage and asset-backed securities. From 1994 to 2004, Bill was part of the Salomon/Citi New York Mortgage Sales Department. From 1981 to 1994, Bill was based in Chicago and managed the Chicago Financial Institutions Sales Group for Salomon. He was awarded the Masters in Business Administration with a concentration in Finance from the University of Chicago Graduate School of Business. Bill holds a B.S. in Finance and Economics from Miami University.

Experienced Team

Jeff Stolt, Chief Financial Officer. Prior to co-founding Pine River in 2002, Jeff was the Controller at EBF & Associates from 1997 to 2002. In this role, Jeff oversaw the preparation of all fund accounting statements, managed the offshore administrator relationship, managed the audit process and was responsible for tax planning and reporting. Jeff began employment with EBF in 1989. Prior to that, Jeff was an accountant in Cargill, Inc.'s Financial Markets Department from 1986 until 1989. Jeff holds a B.S. in Accounting and Finance from the Minnesota State University.

Tim O'Brien, General Counsel. Prior to joining Pine River in 2007, Tim previously served as Vice President and General Counsel of NRG Energy, Inc. from 2004 until 2006. He served as Deputy General Counsel of NRG Energy from 2000 to 2004 and Assistant General Counsel from 1996 to 2000. Prior to joining NRG, Tim was an associate at Sheppard, Mullin, Richter & Hampton in Los Angeles and San Diego, California. He holds a B.A. in History from Princeton University and a Juris Doctor degree from the University of Minnesota Law School. Tim attended an eight-week Advanced Management Program at Harvard Business School in the spring of 2007.

Andrew Garcia, VP Business Development. Prior to joining in 2008, Andrew was the Event Driven and Business Combination Companies (SPAC) specialist in the Capital Markets division at Maxim Group in New York. Before joining Maxim Group, he was the head trader at Laterman & Company. From 2001 to 2005, he covered institutional event-driven and risk arbitrage investors as a sales trader, equity sales person, and middle markets sales person at Cathay Financial, Oppenheimer & Co., and CIBC Oppenheimer Corp. Andrew holds a B.A. from Kenyon College.

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