American Capital Agency Prices Public Offering of Common Stock

September 28, 2010

BETHESDA, Md., Sept 28, 2010 /PRNewswire via COMTEX/ -- American Capital Agency Corp. (Nasdaq: AGNC) ("AGNC" or the "Company") announced today that it priced a public offering of 11.5 million shares of its common stock at a public offering price of $26.00 per share for total net proceeds of approximately $285 million. In connection with the offering, the Company has granted the underwriters an option for 30 days to purchase up to an additional 1.725 million shares to cover overallotments, if any. The offering is subject to customary closing conditions and is expected to close on October 1, 2010.

AGNC expects to use the net proceeds from this offering to acquire additional agency securities as market conditions warrant and for general corporate purposes.

BofA Merrill Lynch, Citi, Deutsche Bank Securities and UBS Investment Bank are joint book-running managers for the offering. Jefferies & Company Inc. and JMP Securities LLC are the joint lead managers, with RBC Capital Markets acting as co-manager for the offering.

The offering will be made pursuant to AGNC's existing shelf registration statement, previously filed with and declared effective by the Securities and Exchange Commission. The offering of these securities will be made only by means of a prospectus and a related prospectus supplement. Copies of the prospectus and prospectus supplement may be obtained from BofA Merrill Lynch, Attn: Prospectus Department, 4 World Financial Center, New York, New York 10080; Citi, Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220; telephone: (800) 831-9146; Deutsche Bank Securities, Prospectus Department, Harborside Financial Center, 100 Plaza One, Jersey City, New Jersey 07311-3988; telephone: (800) 503-4611 or UBS Investment Bank, Attn: Prospectus Department, 299 Park Avenue, New York, New York 10171; telephone: (888) 827-7275.

This press release does not constitute an offer to sell or the solicitation of an offer to buy shares of common stock, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

ABOUT AGNC

AGNC is a REIT that invests in agency pass-through securities and collateralized mortgage obligations for which the principal and interest payments are guaranteed by a U.S. Government agency or a U.S. Government-sponsored entity. The Company is externally managed and advised by American Capital Agency Management, LLC, an affiliate of American Capital, Ltd. ("American Capital").

ABOUT AMERICAN CAPITAL

American Capital is a publicly traded private equity firm and global asset manager. American Capital, both directly and through its asset management business, originates, underwrites and manages investments in middle market private equity, leveraged finance, real estate and structured products. Founded in 1986, American Capital has $15 billion in capital resources under management and eight offices in the U.S., Europe and Asia. American Capital and its affiliates will consider investment opportunities from $5 million to $100 million.

FORWARD-LOOKING STATEMENTS

This press release contains statements that constitute "forward-looking statements," including with regard to the Company's securities offering and the anticipated use of the net proceeds. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. No assurance can be given that the securities offering discussed above will be completed on the terms described, or at all, or that the net proceeds of the offering will be used as indicated. Completion of the securities offering on the terms described, and the application of net proceeds, are subject to numerous conditions, many of which are beyond the control of the Company, including, without limitation, changes in interest rates; changes in the yield curve; changes in prepayment rates; the availability and terms of financing; changes in the market value of our assets; general economic conditions; market conditions; conditions in the market for agency securities; legislative and regulatory changes that could adversely affect the business of the Company; and other factors, including those set forth in the Risk Factors section of the Company's periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website, www.sec.gov. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

CONTACT:

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SOURCE: American Capital Agency Corp.