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Omega Announces New Investments of \$40 Million; Omega Suspends Optional Cash Purchase Component of Dividend Reinvestment and Common Stock Purchase Plan

Dividend Reinvestment under Plan to Continue

TIMONIUM, Md.--(BUSINESS WIRE)--

Omega Healthcare Investors, Inc. (NYSE:OHI) today announced that it has closed on approximately \$40 million of new investments. The Company also announced the immediate suspension of the optional cash purchase component of its Dividend Reinvestment and Common Stock Purchase Plan (the "Plan") until further notice.

NEW INVESTMENTS

On July 31, 2007, the Company completed a transaction with Litchfield Investment Company, LLC and its affiliates to purchase five (5) skilled nursing facilities for a total investment of approximately \$40 million. The facilities total 645 beds and are located in Alabama (1), Georgia (2), Kentucky (1) and Tennessee (1). Omega will also provide a \$2.5 million loan in the form of a subordinated note at 11% as part of the transaction. Simultaneously with the close of the purchase transaction, the facilities were combined into an Amended and Restated Master Lease containing 18 facilities between the Company and an existing operator, Home Quality Management. The Amended and Restated Master Lease was extended until July 31, 2017.

SUSPENSION OF OPTIONAL CASH PURCHASES

The Company also announced the immediate suspension of the optional cash purchase component of its Dividend Reinvestment and Common Stock Purchase Plan until further notice. Dividend reinvestment and all other features of the Plan will continue as set forth in the Plan, including sales, transfers and certificate issuances of stock held in participant accounts.

Stockholders participating in the Plan who have elected to reinvest dividends will continue to have cash dividends reinvested in accordance with the Plan. Any checks or other funds received by Computershare Trust Company, N.A. from Plan participants on, or after July 16, 2007, for optional cash investments will be returned without interest.

For further information, participants should refer to the prospectus previously delivered to each participant and available in the "DRIP Plan" section of the Company's website at www.omegahealthcare.com. All questions and requests in connection with the Plan should

be directed to the Plan's administrator, Computershare, at (800) 519-3111.

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At June 30, 2007, the Company owned or held mortgages on 233 SNFs and assisted living facilities with approximately 26,820 beds located in 27 states and operated by 30 third-party healthcare operating companies.

This announcement includes forward-looking statements. Actual results may differ materially from those reflected in such forward-looking statements as a result of a variety of factors, including, among other things: (i) uncertainties relating to the business operations of the operators of the Company's properties, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels; (ii) regulatory and other changes in the healthcare sector, including without limitation, changes in Medicare reimbursement; (iii) changes in the financial position of the Company's operators; (iv) the ability of operators in bankruptcy to reject unexpired lease obligations, modify the terms of the Company's mortgages, and impede the ability of the Company to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor's obligations; (v) the availability and cost of capital; (vi) competition in the financing of healthcare facilities; (vii) the Company's ability to maintain its status as a real estate investment trust and to reach a closing agreement with the Internal Revenue Service with respect to the related party tenant issues described in our Form 10-K filed with the Securities and Exchange Commission on February 23, 2007 ("Form 10-K"); (viii) the impact of the material weakness identified in the management's report on internal control over financial reporting included in our Form 10-K, including expenses that may be incurred in efforts to remediate such weakness and potential additional costs in preparing and finalizing financial statements in view of such material weakness; and (ix) other factors identified in the Company's filings with the Securities and Exchange Commission. Statements regarding future events and developments and the Company's future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements.

Source: Omega Healthcare Investors, Inc.