



ALESCO FINANCIAL INC.

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**ALESCO FINANCIAL INC. LAUNCHES PUBLIC OFFERING OF
22,000,000 SHARES OF COMMON STOCK**

Company Cancels Previously Scheduled Earnings Conference Call for Today

Philadelphia, Pennsylvania, November 6, 2006 – Alesco Financial Inc. (NYSE: AFN) announced today that it has launched a public offering of 22,000,000 shares of its common stock. As a result, the Company has cancelled its previously announced earnings conference call scheduled for Monday, November 6, 2006, at 9:00 a.m. ET.

The offering will be made under Alesco's existing shelf registration statement filed with the Securities and Exchange Commission. Merrill Lynch & Co. and Bear, Stearns & Co. Inc. are joint book-running managers of the offering with UBS Investment Bank, RBC Capital Markets and Oppenheimer & Co., acting as co-managers of the offering. Merrill Lynch & Co. and Bear, Stearns & Co. Inc. are joint book-running managers for the offering. Alesco expects to grant the underwriters an option to purchase up to an additional 3,300,000 shares of its common stock to cover over-allotments.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the common stock, nor shall there be any sale of the common stock 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 any such state or jurisdiction. The offering may be made only by means of a prospectus. When available, copies of the prospectus and prospectus supplement may be obtained from Merrill Lynch & Co., (Attn: Prospectus Department, 4 World Financial Center, New York, New York 10080) or Bear, Stearns & Co. Inc., (Attn: Prospectus Department, 383 Madison Avenue, New York, New York 10179).

About Alesco Financial Inc.

Alesco Financial Inc. is a specialty finance REIT headquartered in Philadelphia, Pennsylvania and its common stock is listed on the New York Stock Exchange under the symbol "AFN". Alesco is externally managed by Cohen & Company Management, LLC, a subsidiary of Cohen & Company. Alesco invests primarily in collateralized debt obligations and collateralized loan obligations securitized by trust preferred securities issued by banks and insurance companies, middle market loans and residential mortgage backed securities.

Forward-Looking Statements

Information set forth in this release contains forward-looking statements, which involve a number of risks and uncertainties. Alesco cautions readers that any forward-looking information is not a guarantee

of future performance and that actual results could differ materially from those contained or implied in the forward-looking information.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the failure of Alesco to successfully execute its business plans or gain access to additional financing, the availability of additional loan portfolios for future acquisition, continued qualification as a REIT and the cost of capital. Additional factors that may affect future results are contained in Alesco's filings with the Securities and Exchange Commission, which are available at www.sec.gov and Alesco's web site www.alescofinancialtrust.com. Alesco disclaims any obligation to update and revise statements contained in these materials based on new information or otherwise.

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