



Prison Realty Trust, Inc. Prices \$100 Million of Senior Notes

June 4, 1999

NASHVILLE, Tenn., June 4 /PRNewswire/ -- Prison Realty Trust, Inc. ("Prison Realty" or the "Company") (NYSE: PZN), a Maryland corporation, today announced the pricing of its \$100 million aggregate principal amount of 12% Senior Notes Due 2006 (the "Notes"). Lehman Brothers is the underwriter of the Notes offering. Interest on the Notes will be paid semi-annually in arrears and the Notes have a seven year non-callable term.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981120/CHF004>) Net proceeds from the offering currently are estimated to be approximately \$96.5 million after deducting expenses payable by Prison Realty in connection with the offering. The Company intends to use the net proceeds from the sale of the Notes for general corporate purposes and to repay revolving bank borrowings under its bank credit facility. The credit facility repayments do not permanently reduce the commitments under the credit facilities.

Prison Realty's business is the ownership of correctional and detention facilities. The Company provides financing, design, construction and renovation of new and existing jails and prisons that it leases to both private and governmental managers. Prison Realty currently owns 50 correctional and detention facilities in 17 states, the District of Columbia and the United Kingdom having a total design capacity of 49,000 beds, of which 11 new facilities are under construction. Prison Realty is based in Nashville, Tennessee and plans to qualify as a real estate investment trust under the Internal Revenue Code.

This press release contains forward-looking statements that involve various risks and uncertainties. Actual results could differ materially from those contained in these forward-looking statements due to certain factors. These and other risks and uncertainties are detailed in the Company's reports filed with the SEC.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state. Copies of the Prospectus Supplement together with an accompanying Prospectus, relating to the Notes offering may be obtained from Lehman Brothers, 3 World Financial Center, New York, New York, 10285.