

Flaherty & Crumrine Preferred Income Opportunity Fund announces increased monthly dividend

Pasadena, California – July 17, 2007—

Flaherty & Crumrine Preferred Income Opportunity Fund (NYSE: PFO) announced today that it has increased the regular monthly dividend payable to its common stock shareholders. The new monthly dividend for PFO will be \$0.068 per share, which equates to an annual dividend of \$0.8160 per share. This new monthly dividend represents an increase of approximately 5% over the prior monthly dividend.

The change will be effective with the dividend to be paid on August 31, 2007 to holders of record on August 24, 2007 and will remain in effect until further notice.

PFO was organized in 1992 as a closed-end, diversified investment company which invests primarily in preferred securities. Its investment objective for holders of its common stock is high current income consistent with preservation of capital. PFO is managed by Flaherty & Crumrine Incorporated, an independent investment adviser which was founded in 1983 to specialize in the management of portfolios of preferred and related securities. Flaherty & Crumrine also manages three other U.S. closed-end funds: Flaherty & Crumrine Preferred Income Fund (NYSE: PFD); Flaherty & Crumrine/Claymore Preferred Securities Income Fund (NYSE: FFC); and Flaherty & Crumrine/Claymore Total Return Fund (NYSE: FLC). More information about PFO is available at www.preferredincome.com.

INQUIRIES:

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