NEWS RELEASE

Sabra Health Care REIT, Inc. Makes Additional Investment Under First Phoenix Pipeline Agreement; Expands Relationship With New Dawn

2013-11-07

IRVINE, Calif., Nov. 7, 2013 (GLOBE NEWSWIRE) -- Sabra Health Care REIT, Inc. ("Sabra," the "Company" or "we") (Nasdaq:SBRA) announced today the origination of a $14.7 million interim mortgage loan and a $17.1 million construction mortgage loan commitment.

Stoney River – Weston Interim Mortgage Loan

On November 7, 2013, we originated a $14.7 million mortgage loan with an affiliate of the First Phoenix Group (the "Weston Loan") secured by a 50-unit assisted living facility with a 35-bed skilled nursing rehabilitation unit built in 2013 and located in Weston, Wisconsin (the" Weston Facility"), of which $14.4 million was funded at closing. The Weston Loan is our fourth project under the Stoney River pipeline agreement entered into in August 2012. The Weston Facility is operated by the First Phoenix Group under the Stoney River brand. We have an option to acquire the Weston Facility from the borrower ("Sabra Purchase Option") and the borrower has the option to require us to purchase the Weston Facility ("Borrower's Put Option"). Both the Sabra Purchase Option and the Borrower's Put Option become exercisable upon stabilization of the facility through May 6, 2015. The Weston Loan bears interest at a rate of 9.0% per annum and matures upon the earlier to occur of (i) the exercise of the Sabra Purchase Option, (ii) the exercise of the Borrower's Put Option, (iii) in the event the Sabra Purchase Option and the Borrower's Put Option are not exercised, six months after the facility is stabilized, or (iv) November 7, 2016. The purchase price under the Sabra Purchase Option and Borrower's Put Option is formula-based and is expected to approximate market value at the time of exercise. Should we acquire ownership of the facility, we expect to enter into a long-term triple net lease with the First Phoenix Group with an expected initial cash yield of 8.23%, which is dependent on the performance of the Weston Facility. If acquired, this facility will not be part of a RIDEA-compliant joint

venture.

New Dawn – Virginia Construction Loans

On October 31, 2013, we made two construction mortgage loan commitments with affiliates of New Dawn Holding Company ("New Dawn") totaling $17.1 million for the construction of two memory care facilities in Virginia (collectively, the "New Dawn Loans"), of which $2.0 million was funded at closing. The two memory care facilities, located in Henrico, Virginia, and Williamsburg, Virginia, will each have 48 units and will be operated by New Dawn. The Company currently leases one memory care facility to New Dawn and is the secured lender for another facility operated by New Dawn. The Company has an option to acquire the facility securing each of the New Dawn Loans upon stabilization of that facility. Each of the New Dawn Loans bears interest at a rate of 10.0% per annum and matures upon the earlier to occur of (i) Sabra exercising its purchase option on the facility securing that New Dawn Loan or (ii) October 31, 2018. The purchase price under the Company's purchase option agreement is formula-based and is expected to approximate market value at the time of exercise. Should we exercise our option to purchase these facilities, we expect to enter into a long-term triple net lease with New Dawn with an initial cash yield of at least 8.25% (subject to increase based on market conditions as of the time of exercise).

Commenting on these investments, Rick Matros, CEO and Chairman, said, "We are pleased to see some acceleration in our development projects. Although the First Phoenix pipeline contemplated only RIDEA projects, the Weston Loan is not included in a RIDEA-compliant joint venture because of the skilled rehabilitation unit that was put in place at the request of the adjacent hospital. We look forward to future investment activity with First Phoenix Group and New Dawn."

ABOUT SABRA

As of November 7, 2013, and after giving effect to the Weston Loan and the New Dawn Loans, Sabra's portfolio included 121 real estate properties held for investment and leased to operators/tenants under triple-net lease agreements (consisting of (i) 96 skilled nursing/post-acute facilities, (ii) 23 senior housing facilities, and (iii) two acute care hospitals), ten debt investments (consisting of (i) four mortgage loans, (ii) one mezzanine loan, (iii) two pre-development loans, and (iv) three construction mortgage loans) and two preferred equity investments. As of November 7, 2013, Sabra's real estate properties were located in 27 states and included 12,468 licensed beds.

The Sabra Health Care REIT, Inc. logo is available at **http://www.globenewswire.com/newsroom/prs/?pkgid=8563**

This release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified, without limitation, by the use of "expects," "believes," "intends," "should" or comparable terms or the negative thereof. Forward-looking statements in this release include all statements

regarding our expectations concerning the Weston Loan and the New Dawn Loans and our options to purchase properties securing these investments, including the future performance of these facilities should we exercise our purchase options, as well as our expectations concerning our future relationship with First Phoenix Group and New Dawn.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following: our dependence on Genesis HealthCare LLC ("Genesis"), the parent company of Sun Healthcare Group, Inc., until we are able to further diversify our portfolio; our dependence on the operating success of our tenants; changes in general economic conditions and volatility in financial and credit markets; the dependence of our tenants on reimbursement from governmental and other third-party payors; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to make acquisitions, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; our ability to raise capital through equity financings; the relatively illiquid nature of real estate investments; competitive conditions in our industry; the loss of key management personnel or other employees; the impact of litigation and rising insurance costs on the business of our tenants; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; our ability to maintain our status as a REIT; compliance with REIT requirements and certain tax matters related to our status as a REIT; and other factors discussed from time to time in our news releases, public statements and/or filings with the Securities and Exchange Commission (the "SEC"), especially the "Risk Factors" sections of our Annual and Quarterly Reports on Forms 10-K and 10-Q. We assume no, and hereby disclaim any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

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Source: Sabra Health Care REIT, Inc.