NEWS RELEASE

Sabra Health Care REIT, Inc. Originates $12.4 Million Mezzanine Loan With Option to Purchase up to $50.0 Million in Skilled Nursing Facilities; Acquires Assisted Living Facility in Virginia for $6.2 Million

2013-07-01

IRVINE, Calif., July 1, 2013 (GLOBE NEWSWIRE) -- Sabra Health Care REIT, Inc. ("Sabra," the "Company" or "we") (Nasdaq:SBRA) (Nasdaq:SBRAP) announced the origination of a mezzanine loan investment for $12.4 million and the acquisition of a 32-unit assisted living facility located in Woodstock, Virginia for $6.2 million.

Chai Portfolio Mezzanine Loan

On June 28, 2013, we originated a $12.4 million mezzanine loan (the "Chai Mezzanine Loan") with an affiliate of Chai Facilities Acquisition Company, LLC (the "Borrower"), the indirect owner of twelve skilled nursing facilities having 1,689 licensed beds in seven states (the "Chai Portfolio"). The Chai Mezzanine Loan has a two-year term and bears interest at a fixed rate of 12.0% per annum. It is secured by the Borrowers' equity interests in the entities that own the Chai Portfolio. In addition, we have an option to purchase up to $50.0 million of properties within the Chai Portfolio. Should we exercise our option to purchase any properties in the Chai Portfolio, we would expect to enter into a new 15 year master lease with two five-year renewal options at an initial cash yield of 9.5% with annual rent increases equal to the greater of the change in the Consumer Price Index and 3.0%. The Chai Mezzanine Loan was funded with available cash.

Commenting on the Chai Mezzanine Loan, Rick Matros, CEO and Chairman, said, "The operating team for the Chai portfolio currently operates two of Sabra's Texas skilled nursing facilities. We appreciate having the opportunity to expand our relationship with SLC at the time we exercise our purchase option. The purchase option provides us with the opportunity to choose which facilities we bring into the Sabra portfolio."

Greenfield of Woodstock

On June 28, 2013, we purchased a 32-unit assisted living facility located in Woodstock, Virginia for $6.2 million ("Greenfield of Woodstock"). Concurrently with the purchase, we entered into a triple-net lease agreement with affiliates of Greenfield Senior Living, Inc. The lease has an initial term of 15 years with two ten-year renewal options and provides for annual rent escalators of 3.0%, resulting in annual lease revenues determined in accordance with GAAP of $0.6 million and an initial yield on cash rent of 7.75%. The purchase price was funded with available cash.

Commenting on the Greenfield acquisition, Mr. Matros said, "We have been developing a relationship with the Greenfield Senior Living team for over a year and are very pleased to have found a transaction that works for both parties. We look forward to developing a deeper relationship with them through future transactions."

Also commenting on the Greenfield acquisition, Mathew A. Peponis, Greenfield Senior Living, Inc. President and CEO, stated, "We are tremendously excited to partner with an organization who shares our mission and commitment to seniors. While this will mean no operational changes at Greenfield of Woodstock, the partnership with Sabra Health Care REIT, Inc. will create growth opportunities for us and expand our ability to provide the highest possible care to a larger population of seniors."

ABOUT SABRA

Sabra Health Care REIT, Inc. (Nasdaq:SBRA), a Maryland corporation, operates as a self-administered, self-managed real estate investment trust (a "REIT") that, through its subsidiaries, owns and invests in real estate serving the healthcare industry. Sabra leases properties to tenants and operators throughout the United States. As of July 1, 2013, and after giving effect to the origination of the Chai Mezzanine Loan and the acquisition of Greenfield of Woodstock, Sabra's portfolio included 120 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) one acute care hospital), three mortgage loan investments, two preferred equity investments and one mezzanine loan investment. As of July 1, 2013 Sabra's real estate properties held for investment had a total of 12,414 licensed beds, or units, spread across 27 states.

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 (i) the Chai Mezzanine Loan and our option to purchase properties in the

Chai Portfolio and (ii) the Greenfield of Woodstock acquisition, including the future performance of the Chai Portfolio facilities should we exercise our purchase option.

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.

CONTACT: Investor & Media Inquiries: (949) 679-0410

Source: Sabra Health Care REIT, Inc.