

CAPITAL MARKETS ANNOUNCEMENT

Ellington Financial LLC (NYSE: EFC; Old Greenwich, CT) Closes Offering of \$86.0 Million of 5.25% Senior Notes due 2022

Sandler O'Neill + Partners, L.P. served as sole initial purchaser for this offering.

This transaction represents Ellington Financial's first debt offering and is the 129th senior note or subordinated note transaction since January 1, 2014 in which Sandler O'Neill acted as placement agent, sole underwriter, book-runner or initial purchaser.¹

About the Offering:

OLD GREENWICH, CONNECTICUT, August 18, 2017—Ellington Financial LLC (NYSE: EFC) ("Ellington Financial" or the "Company") closed today its private placement to eligible purchasers of \$86 million in aggregate principal amount of 5.25% senior unsecured notes due September 2022 at 100% of par.

The Company intends to use the net proceeds from the offering to acquire its targeted assets. The Company may also use the net proceeds of the offering for working capital and general corporate purposes.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Ellington Financial LLC is a specialty finance company that primarily acquires and manages mortgage-related and consumer-related assets, including residential mortgage-backed securities, residential and commercial mortgage loans, consumer loans and asset-backed securities backed by consumer loans, commercial mortgage-backed securities, real property, and mortgage-related derivatives. The Company also invests in corporate debt and equity, including distressed debt, collateralized loan obligations, non-mortgage-related derivatives, and other financial assets, including private debt and equity investments in mortgage-related entities. Ellington Financial LLC is externally managed and advised by Ellington Financial Management LLC, an affiliate of Ellington Management Group, L.L.C.

August 18, 2017

5.25% Fixed Rate
Senior Notes due 2022

\$86.0 Million

Ellington Financial

Sole Initial Purchaser
SANDLER O'NEILL + PARTNERS

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg, SNL Financial.

Sandler O'Neill Contacts:

Jacques de Saint Phalle
Principal
(212) 466-7721

Thomas Howland
Managing Director
(212) 466-7977

Conrad Chanzit
Managing Director
(617) 994-6531

Susan Weinberg
Managing Director
(212) 466-7807

Jennifer Docherty
Managing Director
(212) 466-7796

James Furey
Managing Director
(212) 466-7934

Andrew Kinell
Vice President
(212) 466-7706

Pierce Fowler
Analyst
(212) 466-7993