

Affiliates of Ellington Management Group Increase their Ownership of Ellington Financial LLC's Common Shares

February 18, 2010

Effective December 31, 2009, EMG Holdings, L.P., an affiliate of Ellington Management Group L.L.C. (“Ellington”), acquired interests in New Ellington Credit Partners, L.P. and Ellington Mortgage Partners, L.P., two hedge funds managed by Ellington. As a result, the 1,130,000 common shares of the Company that are collectively owned by these two hedge funds are now entirely beneficially owned by Ellington and its principals and employees. With this acquisition, as of February 17, 2010 the Manager Group (as defined below) collectively owned 2,965,945 common shares of the Company, or approximately 24.7% of the total outstanding common shares. The “Manager Group” refers collectively to Ellington and its principals and employees (including family trusts established by the foregoing), and entities wholly beneficially owned by the foregoing, such as the Company’s manager Ellington Financial Management LLC, EMG Holdings L.P., VC Investments L.L.C., New Ellington Credit Partners, L.P. and Ellington Mortgage Partners, L.P.