

August 2, 2012

**R E D W O O D
T R U S T**

Redwood Trust Declares \$0.25 Per Share Dividend For The Third Quarter Of 2012

MILL VALLEY, Calif., Aug. 2, 2012 /PRNewswire/ -- Redwood Trust, Inc. (NYSE: RWT) today announced that its Board of Directors authorized the declaration of a third quarter regular dividend of \$0.25 per share. The third quarter 2012 dividend is payable on September 28, 2012 to stockholders of record on September 14, 2012.

"The payment of regular dividends remains a priority for Redwood. Our third quarter dividend will mark our 53rd consecutive quarterly dividend," said Marty Hughes, Redwood's CEO.

For more information about Redwood Trust, Inc., please visit our website at:
www.redwoodtrust.com.

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