

March 15, 2007

DRIVE SHACK INC.

Newcastle Announces a First Quarter Common Stock Dividend of \$0.69 Per Share and Declares its Preferred Stock Dividends

NEW YORK, March 15 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) announced today that its Board of Directors has declared a quarterly cash dividend on its common stock of \$0.69 per share for the quarter ending March 31, 2007. The dividend is payable on April 30, 2007 to holders of record of Newcastle's common stock on April 2, 2007.

Ken Riis, Newcastle's Chief Executive Officer and President, adds, "This dividend represents our seventeenth consecutive quarter (since we have been public) in which we have maintained or increased our dividend per share. Our diversified portfolio primarily consists of commercial real estate debt and 9% of our assets are subprime securities. The current dislocation in the subprime market has created attractive investment opportunities and we intend to selectively seek out debt investments in that sector while remaining committed to our core commercial investment strategy."

The Board of Directors of Newcastle has also declared dividends on the Company's 9.75% Series B and 8.05% Series C Cumulative Redeemable Preferred Stock. The Company will pay dividends of \$0.609375 and \$0.503125 per share on the Series B and Series C preferred stock, respectively, for the period beginning February 1, 2007 and ending April 30, 2007. These dividends are payable on April 30, 2007 to holders of record on April 2, 2007.

About Newcastle

Newcastle Investment Corp. invests in real estate debt securities and other real estate related assets. Newcastle is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. Newcastle is managed by an affiliate of Fortress Investment Group LLC, a global alternative investment and asset management firm with over \$30 billion in assets under management as of December 31, 2006. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the subprime market and any possible investment activity. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, changes in market conditions as

well as our ability to source and make suitably priced investments that are attractive on a risk-adjusted basis and to continue to deploy capital accretively. Such forward-looking statements speak only as of the date of this press release. Newcastle expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SOURCE Newcastle Investment Corp.