

April 5, 2007

DRIVE SHACK INC.

Newcastle Investment Corp. Announces Public Offering of Common Stock

NEW YORK, April 5 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) announced today that it has agreed to sell 4,560,000 shares of common stock, for net proceeds of approximately \$125 million, through an underwritten public offering. Morgan Stanley & Co. Incorporated is the sole underwriter of the offering. Newcastle intends to use the net proceeds from the offering to make investments in real estate securities and loans, other real estate related assets and for general corporate purposes.

The common stock is being sold pursuant to an effective shelf registration statement. The offering is being made solely by means of a free writing prospectus, prospectus supplement and accompanying prospectus, copies of which may be obtained by visiting the SEC's website at www.sec.gov or by contacting Morgan Stanley & Co. Incorporated, 180 Varick Street, New York, NY 10014, Attn: Prospectus Department or by email at prospectus@morganstanley.com.

About Newcastle

Newcastle Investment Corp. invests in real estate debt 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.

A registration statement relating to these securities was declared effective by the Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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