

September 14, 2011

DRIVE SHACK INC.

Newcastle Increases its Third Quarter Common Dividend to \$0.15 per share and Declares its Preferred Dividends

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that its Board of Directors has declared a quarterly dividend of \$0.15 per common share for the third quarter of 2011, representing a 50% increase from the prior quarter's dividend of \$0.10 per common share. The dividend is payable on October 28, 2011 to shareholders of record on October 3, 2011.

Kenneth M. Riis, Newcastle's CEO commented, "As the cash flow from our legacy portfolio continues to stabilize and our new investments increase operating earnings, our plan is to grow our common dividend while retaining cash for new investments. This dividend reflects only a portion of the cash generated from our current operations, and the increase in our dividend is a result of our successful investment activity. We currently have \$85 million of unrestricted cash to invest and there are several new investment opportunities that may enable us to grow cash flows and common dividends further."

The Board of Directors also declared dividends on the Company's Series B, Series C and Series D preferred stock for the period beginning August 1, 2011 and ending October 31, 2011. The dividends are payable on October 31, 2011 to shareholders of record on October 3, 2011. The Company will pay total dividends of \$0.609375, \$0.503125 and \$0.523438 per share on the 9.75% Series B, 8.05% Series C and 8.375% Series D preferred stock, respectively.

Forward-Looking Statements

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, projected future cash flows or operating earnings, expected returns on investments, expected future receipts of cash, consummation of pending investments, the availability of attractive investments, expectations of plans to pay or increase future dividends on our common or preferred shares, as well as other statements relating to our liquidity, future losses and impairment charges, our ability to acquire assets with attractive returns and the delinquent and loss rates on our subprime portfolios. 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, many of which are beyond our control.

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, the risk that market conditions cause downgrades of a significant number of our securities or the recording of additional impairment charges or reductions in shareholders' equity; the risk that we can find additional suitably priced investments; the risk that

investments made or committed to be made cannot be financed on the basis and for the term that we expect or otherwise cannot be consummated; the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested; and the relative spreads between the yield on the assets we invest in and the cost and availability of debt and equity financing. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” in the Company’s Quarterly Report on Form 10-Q, which is available on the Company’s website (www.newcastleinv.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. 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.

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 investment manager. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

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