September 21, 2011

DRIVE SHACK INC.

Newcastle Announces Pricing of Public Offering of Common Stock

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) (the "Company") announced today that it priced its public offering of 22,500,000 shares of its common stock at a public offering price of $4.55 per share for gross proceeds of approximately $102.4 million. In connection with the offering, the Company has granted the underwriters an option for 30 days to purchase up to an additional 3,375,000 shares of common stock. The offering is expected to close on September 27, 2011.

The Company expects to use the net proceeds from this offering primarily to make investments in excess mortgage servicing fees, and it may also use the net proceeds for general corporate purposes, which may include the repurchase of indebtedness issued by its CDOs as well as investments in real estate securities and/or other real estate related assets.

Citigroup, Barclays Capital, Morgan Stanley and UBS Investment Bank are the joint book-running managers for the offering. Macquarie Capital and Stifel Nicolaus Weisel are co-managers for the offering. The offering will be made pursuant to the Company's existing effective shelf registration statement, previously filed with the Securities and Exchange Commission. The offering will be made only by means of a prospectus and a related prospectus supplement. Copies of the prospectus and prospectus supplement may be obtained from: Citigroup by sending a request to Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220, Attn: Prospectus Department or to batprospectusdept@citi.com, or by calling (800) 831-9146; Barclays Capital by sending a request to Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 or to barclaysprospectus@broadridge.com, or by calling (888) 603-5847; Morgan Stanley by sending a request to 180 Varick Street, 2nd Floor, New York, New York 10014, Attn: Prospectus Department or to prospectus@morganstanley.com, or by calling (866) 718-1649; and UBS Investment Bank by sending a request to 299 Park Avenue, New York, New York 10171, Attn: Prospectus Department, or by calling (888) 827-7275.

This press release does not constitute an offer to sell or the solicitation of an offer to buy shares of common stock, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

ABOUT NEWCASTLE

The Company invests in real estate debt and other real estate related assets. The Company is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. The Company is managed by an affiliate of Fortress Investment Group LLC, a global investment manager.

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, statements relating to our liquidity, future losses and impairment charges, offering shares of common stock, granting to underwriters an option to purchase shares of common stock, and our use of proceeds from the offering. 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. The Company can give no assurance that its expectations will be attained. 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 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. 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. The Company 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.

Newcastle Investment Corp.
Investor Relations
212-479-3195

Source: Newcastle Investment Corp.