

September 27, 2011

DRIVE SHACK INC.

Newcastle Announces Closing of Public Offering of Common Stock

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) (the "Company") announced today that it has completed the sale of 25,875,000 shares of its common stock at a price of \$4.55 per share. The gross proceeds of the sale were approximately \$117.7 million, including proceeds from the sale of 3,375,000 shares pursuant to the exercise in full of the underwriters' option to purchase additional shares of common stock. All of the shares were offered by the Company and were issued under the Company's existing effective shelf registration statement, previously filed with the Securities and Exchange Commission.

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 served as the joint book-running managers for the offering. Macquarie Capital and Stifel Nicolaus Weisel were the co-managers for the offering.

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 the Company's 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.