

December 13, 2011

DRIVE SHACK INC.

Newcastle Announces a \$44 million Investment in Excess Mortgage Servicing Rights

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that the Company has made its first investment in Excess Mortgage Servicing Rights ("Excess MSRs"). The Company invested \$44 million to acquire a 65% interest in the Excess MSR of a \$9.9 billion residential mortgage portfolio. Nationstar Mortgage LLC will be the servicer of the loans and will invest alongside Newcastle by acquiring the remaining 35% interest of the Excess MSR. Nationstar currently services over \$100 billion in loans and is an active originator of residential mortgage loans.

Under the terms of this investment, to the extent that any loans in this portfolio are refinanced by Nationstar, the resulting mortgage servicing right will be included in the portfolio, subject to certain limitations. This should serve to significantly reduce the impact of prepayments on our investment. Newcastle will not have any servicing duties, advance obligations or liabilities associated with the portfolio.

Kenneth Riis, the Company's CEO commented, "I am very pleased to announce our first investment in Excess Mortgage Servicing Rights. This is a watershed investment for us in this sector. We expect this investment will generate approximately a 20% unleveraged return and total cash flows of over 2 times our investment. I am excited to be investing alongside Nationstar, a premier mortgage servicer and originator. Residential mortgage servicing is a large market and we currently see a strong pipeline of similar investments at very attractive returns." In connection with the transaction, the Company has posted a presentation on its website in the Investor Relations section at www.newcastleinv.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 investment management firm. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

FORWARD-LOOKING STATEMENTS

Certain statements 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 regarding expected investment returns, total cash flows relative to total investment, the impact that loan prepayment and recapture rates will have on our investment returns, the impact of our investment in MSRs on our operating cashflows, and our ability to acquire assets with attractive returns. 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 loan prepayment, recapture and delinquency rates differ from our current assumptions; the risk that we are not able to find additional suitably priced investments; and the risk that investments made or committed to be made cannot be financed on the basis and for the term at which we expect. 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.

CAUTIONARY NOTE REGARDING EXPECTED RETURNS PRESENTED

Expected returns are estimates of the annualized effective rate of return that we presently expect to be earned over the expected average life of an investment (i.e., IRR), after giving effect to existing leverage, calculated on a weighted average basis. Income recognized by the Company in future periods may be significantly less than the income that would have been recognized if an expected return were actually realized, and the estimates we use to calculate expected returns would differ materially from actual results.

Statements about expected returns in this press release are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-Looking Statements," which directly applies to our discussion of expected returns.

Newcastle Investment Corp.

Investor Relations, 1-212-479-3195

Source: Newcastle Investment Corp.