

March 6, 2012

DRIVE SHACK INC.

Newcastle Announces Definitive Agreements to Acquire Excess Mortgage Servicing Rights

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that it has signed definitive agreements to acquire an approximately 65% interest in Excess Mortgage Servicing Rights ("Excess MSRs") from Nationstar Mortgage LLC ("Nationstar") in connection with their acquisition of mortgage servicing assets from Aurora Bank FSB ("Aurora"), a subsidiary of Lehman Brothers Bancorp Inc.

Newcastle expects to invest approximately \$170 million to acquire an approximately 65% interest in the Excess MSRs. Nationstar will be the servicer of the loans and will invest alongside Newcastle by acquiring the remaining approximately 35% interest of the Excess MSRs. The unpaid principal balance of the total portfolio is expected to be approximately \$63 billion at closing and be comprised of approximately 75% non-conforming loans in private label securitizations and approximately 25% conforming loans in GSE pools. The investment is expected to close in the second quarter of 2012 and is subject to regulatory and third-party approvals.

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 another significant investment in Excess Mortgage Servicing Rights. We feel this is an attractive investment opportunity for us and I am excited to once again invest alongside Nationstar."

ABOUT NEWCASTLE

Newcastle Investment Corp. invests in real estate debt and other real estate related assets including excess mortgage servicing rights. 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.

Newcastle Investment Corp.
Investor Relations, 1-212-479-3195

Source: Newcastle Investment Corp.