

May 21, 2012

DRIVE SHACK INC.

Newcastle Announces Closing of Public Offering of Common Stock and Exercise of Option to Purchase Additional Shares

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) (the "Company") announced today that it has completed the sale of 20,000,000 shares of its common stock at a public offering price of \$6.71 per share. In addition, the underwriters today exercised in full their option to purchase 3,000,000 additional shares of the Company's common stock, which is expected to close on May 24, 2012. After giving effect to the exercise of the option, the total gross proceeds from the sale amount to approximately \$154.3 million.

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 intends to use the net proceeds from this offering for general corporate purposes, which may include, but not be limited to, investments in excess mortgage servicing rights, the repurchase of indebtedness issued by its collateralized debt obligations, as well as investments in real estate securities and/or other real estate related assets, including senior living facilities.

Credit Suisse Securities (USA) LLC, Citigroup, and Deutsche Bank Securities Inc. served as the joint book-running managers for the offering. Keefe, Bruyette & Woods, Inc. served as co-manager 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, including excess mortgage servicing rights. 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 management firm.

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 relating to the offering and intended use of proceeds. 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. Factors that could cause actual results to differ materially from the Company'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 at which we expect; the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested; actual recapture rates with respect to any Excess MSR investment; 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 Annual Report on Form 10-K or Quarterly Report on Form 10-Q, 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.