

June 29, 2012

DRIVE SHACK INC.

Newcastle Announces Final Closing of the Aurora Investment

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that it has completed the final closing of its co-investment with Nationstar Mortgage LLC related to their acquisition of mortgage servicing rights ("MSRs") from Aurora Bank FSB, a subsidiary of Lehman Brothers Bancorp Inc. The final closing relates to MSRs on non-conforming loans in private label securitizations with an unpaid principal balance ("UPB") of approximately \$47.6 billion. Newcastle acquired a 65% interest in the monthly cash flows, net of a base fee paid to Nationstar, generated by the MSRs.

As previously announced, on June 12, 2012, Newcastle co-invested with Nationstar in their acquisition from Aurora of MSRs on two GSE loan pools with a total UPB of approximately \$16.1 billion.

In total, Newcastle invested \$176.5 million to acquire a 65% interest in the net MSR cash flows on the aggregate portfolio with an approximately \$63.7 billion UPB. Nationstar acquired the remaining 35% interest, and it will be the servicer of the loans.

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

Newcastle plans to post a presentation on its website outlining the entire Aurora investment in the coming days.

ABOUT NEWCASTLE

The Company invests in real estate debt and other real estate related assets, including net MSR cash flows. 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. For more information regarding Newcastle or to be added to its e-mail distribution list, please visit <http://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, expectations regarding the impact of prepayments on Newcastle's investment. 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 Newcastle's

control. 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 cause actual results to differ from 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, which are available on the Company's website (<http://www.newcastleinv.com>). 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.
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