

April 1, 2013

DRIVE SHACK INC.

Newcastle Announces Closing of Interest in Consumer Loan Portfolio from HSBC

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that it has acquired from HSBC Finance Corporation ("HSBC") a 30% equity interest in a consumer loan portfolio with an unpaid principal balance ("UPB") of \$4.2 billion as of December 31, 2012. Newcastle invested alongside Springleaf Finance, Inc. ("Springleaf"), a Fortress affiliate who will also be responsible for servicing the loans, and Blackstone Tactical Opportunities Advisors L.L.C.

The total purchase price for the portfolio is approximately \$3.0 billion, inclusive of closing costs, fees and adjustments related to estimated net cash flows received by HSBC between December 31, 2012 and March 31, 2013. The investment is financed using \$2.2 billion of asset backed notes and the balance of the purchase price is funded with approximately \$800 million of equity. Newcastle's initial equity investment is approximately \$250 million.

The portfolio consists of over 400,000 loans originated through subsidiaries of HSBC, of which approximately 70% are personal unsecured loans and 30% are personal homeowner loans. The average loan balance of the portfolio is about \$9,500, the average seasoning is 93 months and the expected average life of the loans is 3 years.

After a servicing transition period, Springleaf will be the servicer of the loans and will provide all servicing for the portfolio. Newcastle will not own any of the servicing rights and will not have any servicing duties, liabilities or obligations associated with the servicing of the portfolio.

Ken Riis, CEO, commented, "We are excited to close on this strategic consumer loan transaction and believe this investment has the potential to generate very attractive risk-adjusted returns for our shareholders."

About Newcastle

Newcastle Investment Corp. focuses on opportunistically investing in, and actively managing, real estate related assets. The Company primarily invests in two distinct areas: (1) Residential Servicing and Securities and (2) Commercial Real Estate Debt and Other 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 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 mortgage servicing rights 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, Quarterly Reports on Form 10-Q and Current Reports on Form 8-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.