

March 23, 2011

DRIVE SHACK INC.

Newcastle Announces Pricing of Public Offering of Common Stock

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) (the "Company") announced today that it priced its public offering of 15,000,000 shares of its common stock at \$6.00 per share for net proceeds of approximately \$85.6 million, after deducting underwriting discounts and estimated offering expenses. In connection with the offering, the Company has granted the underwriters an option for 30 days to purchase up to an additional 2,250,000 shares of common stock to cover over-allotments, if any. The offering is expected to close on March 29, 2011.

The Company expects to use the net proceeds from this offering to make investments in real estate securities and/or other real estate related assets and for general corporate purposes.

UBS Investment Bank and Barclays Capital Inc. are the joint book-running managers for the offering. Macquarie Capital (USA) Inc. and Stifel, Nicolaus & Company, Incorporated are co-managers for the offering. The offering will be made pursuant to the Company's existing effective shelf registration statement, previously filed with the Securities and Exchange Commission. The offering of these securities will be made only by means of a prospectus and a related prospectus supplement. Copies of the prospectus and prospectus supplement may be obtained from UBS Investment Bank, 299 Park Avenue, New York, New York 10171, Attn: Prospectus Department, telephone: (888) 827-7275 or Barclays Capital Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, by email at Barclaysprospectus@broadridge.com or by telephone at (888) 603-5847.

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

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 manager.

FORWARD-LOOKING STATEMENTS

Certain items 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 our liquidity, future losses and impairment charges, our ability to acquire assets with attractive returns and the delinquent and loss rates on our subprime portfolios. 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; 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, 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.

Source: Newcastle Investment Corp.