

December 19, 2008

DRIVE SHACK INC.

Newcastle Elects to Retain Capital

NEW YORK, Dec. 19 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) announced today that its Board of Directors has elected not to pay a common stock or preferred stock dividend in the fourth quarter of 2008. The Company decided to retain capital to further reduce recourse debt and for working capital purposes.

For the first three quarters of 2008, the Company paid common dividends totaling \$0.75 per share. The Company believes the dividends paid year to date fully satisfy our 2008 REIT distribution requirements.

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 alternative asset manager with approximately \$34.3 billion in assets under management as of September 30, 2008. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

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