

March 12, 2007

DRIVE SHACK INC.

Newcastle Investment Corp. Priced 2,000,000 Shares of Preferred Stock in Public Offering

NEW YORK, March 12 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) announced today that it has priced an offering to sell 2,000,000 shares of newly designated 8.375% Series D Cumulative Redeemable Preferred Stock for net proceeds excluding expenses of \$48.4 million. The securities will be sold at a liquidation preference of \$25 per share and will pay a dividend of 8.375% per annum. Bear, Stearns & Co. Inc. is the sole book-running manager of the offering, with Stifel, Nicolaus & Company, Incorporated as co-manager. Newcastle also granted the underwriters an option to purchase up to an additional 300,000 shares to cover over-allotments, if any.

Newcastle has applied to list the preferred stock on the New York Stock Exchange under the symbol "NCT PrD." If the application is approved, it is expected that trading of the preferred stock will commence within 30 days after the initial delivery of the shares. The offering is expected to close on March 15, 2007.

About Newcastle

Newcastle Investment Corp. invests in real estate debt securities 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 investment and asset management firm with over \$30 billion in assets under management as of December 31, 2006. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

A registration statement relating to the preferred stock was declared effective by the Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

SOURCE Newcastle Investment Corp.