

April 30, 2007

DRIVE SHACK INC.

Newcastle Prices Tenth Collateralized Debt Obligation to Term Finance \$825 Million Portfolio

NEW YORK, April 30 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) today announced the pricing of an \$825 million collateralized debt obligation, Newcastle CDO IX 1, Limited (the "CDO"). Newcastle will be the collateral manager for the CDO and the expected closing is May 8, 2007.

It is expected that Moody's Investors Service and Fitch Ratings will provide an investment grade ratings to \$711 million or 86% of the capital structure of the CDO. Approximately \$586 million or 82% of the investment grade notes will be rated AAA through AA- and sold to third parties. The remaining \$125 million of investment grade notes rated A+ through BBB- will be retained and financed. Newcastle will also retain the \$115 million of below investment grade notes and preferred shares of the offering. Net of the sale and financing, Newcastle expects to invest approximately \$120 million with a return of 16.5%.

At closing, the \$711 million investment grade notes will have an initial weighted average interest spread over LIBOR of 70 basis points and a weighted average life of 7.0 years.

As of today, Newcastle has purchased, or committed to purchase, 100% of the assets. The portfolio is expected to total \$825 million and initially consist of approximately 34% mezzanine loans, 23% bank loans, 21% B-Notes, 11% CMBS and 11% in other commercial real estate assets including whole loans. The initial portfolio will consist of 75% floating rate assets and 25% fixed rate assets.

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 investment and asset management firm with approximately \$35.1 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 <http://www.newcastleinv.com>.

The securities offered have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from registration requirements. 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.

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including statements relating to expected investment grade ratings, expected returns, the closing of the CDO, the investment grade notes' initial weighted average interest spread and weighted average life and the portfolio's composition. 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; Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, changes in the real estate and bond markets, our continued ability to source new investments in the identified asset categories, the performance of the assets, differences between actual and estimated default or recovery rates and other risks detailed from time to time in Newcastle's SEC reports. Such 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 Newcastle's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SOURCE Newcastle Investment Corp.