

June 5, 2012

DRIVE SHACK INC.

Newcastle Announces a New MSR Co-Investment with Nationstar Mortgage

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that it has co-invested with Nationstar Mortgage LLC ("Nationstar") in Nationstar's acquisition of mortgage servicing rights ("MSRs") from Bank of America, National Association. The portfolio has an unpaid principal balance of approximately \$10.4 billion and is composed of residential mortgage loans in government-sponsored enterprise ("GSE") pools.

Newcastle invested approximately \$44 million to acquire the right to receive 65% of the monthly cash flow generated by the MSR, net of a base fee paid to Nationstar. Nationstar will be the servicer of the loans and perform all the day-to-day servicing functions. Newcastle will not own the servicing rights and therefore will not have any servicing duties, advance obligations or liabilities associated with the portfolio.

Under the terms of this investment, to the extent that any loans in this portfolio are refinanced by Nationstar, the resulting mortgage servicing right will remain in the portfolio, subject to certain limitations. This should serve to significantly reduce the impact of prepayments on our investment.

Kenneth Riis, the Company's CEO commented, "I am very pleased to announce another co-investment in Mortgage Servicing Rights with Nationstar, a premier mortgage servicer and originator. We expect this investment will generate attractive unleveraged returns using what we believe are conservative prepayment and recapture assumptions. We continue to source and close compelling MSR investments and I am excited about our current deal pipeline." In connection with the transaction, after the close of business, the Company plans to post a presentation on its website in the Investor Relations section at www.newcastleinv.com.

ABOUT NEWCASTLE

The Company invests in real estate debt and other real estate related assets, including excess mortgage servicing rights. 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. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

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 regarding expected investment returns, total cash flows relative to total investment, the impact that loan prepayment and recapture rates will have on our investment returns, the impact of our investment in MSRs on our operating cash flows, and

our ability to acquire assets with attractive returns. 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. 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, the risk that loan prepayment, recapture and delinquency rates differ from our current assumptions; the risk that we are not able to find additional suitably priced investments; and the risk that investments made or committed to be made cannot be financed on the basis and for the term at which we expect. 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 or Quarterly Report on Form 10-Q, which is available on the Company's website (www.newcastleinv.com). 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. Newcastle 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

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Source: Newcastle Investment Corp.