February 4, 2013

DRIVE SHACK INC.

Newcastle Announces First Closing of Co-Investment in Excess MSRs

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) announced today that it has completed the first closing of its previously announced co-investment in excess mortgage servicing rights ("Excess MSRs") with Nationstar Mortgage LLC ("Nationstar"), which acquired the related servicing rights from Bank of America.

The closing, which was completed on January 31, 2013, relates to Excess MSRs on loans with an aggregate unpaid principal balance ("UPB") of approximately $58 billion as of December 31, 2012 that are owned, insured or guaranteed by Fannie Mae or Freddie Mac. Newcastle is entitled to one-third of the monthly cash flow generated by the Excess MSRs, net of a base fee paid to Nationstar. Nationstar will retain a one-third interest in the Excess MSRs, and a Fortress-managed fund will acquire the remaining interest. Newcastle will not own the servicing rights and therefore will not have any servicing duties, advance obligations or liabilities associated with the portfolio.

Nationstar also closed on servicing rights to Ginnie Mae loans with a UPB of approximately $39 billion as of December 31, 2012, and Newcastle expects to close on the related Excess MSRs in the next thirty days, subject to the receipt of certain approvals. The closing of the remainder of the co-investment, which corresponds to loans in private label securitizations, is expected to occur in the first and second quarters of 2013, subject to the receipt of regulatory and third-party approvals.

ABOUT NEWCASTLE

Newcastle focuses on opportunistically investing in, and actively managing, real estate related assets. The Company primarily invests in two distinct areas: (1) Residential Servicing and Securities and (2) Commercial Real Estate Debt and Other Assets. 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.

Newcastle Investment Corp.
Investor Relations, 212-479-3195

Source: Newcastle Investment Corp.