

Press Release

March 31, 2009

FORTRESS ENERGY ANNOUNCES ITS YEAR END FINANCIAL RESULTS AND RESERVES

THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR TO ANY UNITED STATES NEWS SERVICES.

Fortress Energy Inc., (TSX:FEI) ("Fortress" or the "Company") announces that it has filed its Audited Consolidated Financial Statements and Management's Discussion and Analysis for the years ended December 31, 2008 and 2007, and its Annual Information Form which includes Fortress' reserves data and other oil and gas information for the year ended December 31, 2008, as mandated by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities including the report of the independent qualified reserves evaluator (51-101F2) and the report of management and directors on the reserves (51-101F3) with the Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval ("SEDAR"). An electronic copy of these documents may be obtained on Fortress' SEDAR profile at www.sedar.com or on the Fortress website at www.fortressenergy.ca.

CORPORATE HIGHLIGHTS:

During the year ended December 31, 2008, Fortress accomplished the following:

- Increased average production to 1,393 boe/d in 2008 from 990 boe/d in 2007 - an increase of 41%.
- Drilled five gross (3.0 net) wells in the Square Creek area at an 80% success rate.
- Constructed a 10mmcf/d gathering and production facility which included a water disposal well in order to service producing wells in the Square Creek area.
- Constructed a 41 km pipeline to deliver gas from the Square Creek area to the Clear Prairie gas plant. The pipeline was sold in April to a mid-stream service provider for \$8.15 million.
- Completed a \$16.5 million equity financing consisting of 11,033,400 units ("Units"), each Unit consisting of one common share and one-half of one common share purchase warrant.
- Achieved funds from operations for 2008 of \$6.9 million or \$0.32 per share compared to \$3.8 million or \$0.28 per share for 2007 – an increase of \$3.1 million or 85%.
- The net present value of Fortress' estimated future net revenue based on forecast prices and costs and discounted at 10% before income tax is \$87.5 million, a 12% increase over December 31, 2007.
- Proved developed producing reserves increased 8.3% to 2,136 mboe versus 1,971 mboe in 2007.
- The total proved plus probable reserves decreased by 5.2% to 6,123 mboe versus 6,456 mboe in 2007 while experiencing a decrease of 26.5% in proven non-producing and proven undeveloped reserves to 1,570 mboe versus 1,897 mboe in 2007 .
- Fortress was able to replace 102% of its 2008 annual production.
- Proved and probable reserve life index (RLI) of 11.7 years.
- Company interest of proved plus probable reserves comprised of 98% natural gas; and
- Undeveloped land holdings of 95,542 net acres at December 31, 2008. The undeveloped land holdings were valued at \$15,244,893 by Independent Land Evaluations Inc.

2009 OPERATIONAL UPDATE

Production for the month of February 2009 was approximately 1,238 boe/d. Production has been negatively impacted by approximately 150 boe/d at Velma since December 2008 where one of the two wells has been down due to liquid loading and high line pressures experienced at the inlet of the Velma gathering system. Fortress is rerouting the production to the Taqa North facility to restore the production which can be produced into a system with lower operating pressures and lower operating costs.

Production at Square Creek continues to improve as greater capacity has been provided by the operator of the Clear Prairie facility. Fortress' winter program involved a flow and build up of existing wells resulting in significant down time during the period. The producing wells were on only 78% of the available time. Net sales production at Square Creek averaged 512 boe/d for the month of February and is currently producing approximately 625 boe/d. An additional well will be placed on stream on April 1, 2009 to take advantage of the Alberta Royalty Incentive program recently announced. Although additional capacity has been made available by the operator of the Clear Prairie facility, the operator has not made modifications to expand the facility. Production at Square Creek will be constrained to the current producing rates until the expansion of the Clear Prairie facility takes place.

Fortress has sold forward approximately 55% of its natural gas production in a series of contracts that will provide the Company with an average price of \$8.30/mcf in 2009 and an average price of \$8.36/mcf for the first quarter of 2010. The forward sale arrangements give Fortress a degree of certainty of its cash flow enabling it to have surplus cash flow to meet obligations to further develop its properties and pursue new investment opportunities. The estimated mark-to-market value of those forward sale arrangements based on pricing today is approximately \$5.1 million

FINANCIAL AND OPERATING SUMMARY

	2008		2007	
	(\$000's)	\$/boe	(\$000's)	\$/boe
Petroleum and natural gas sales	24,834	48.68	14,725	40.73
Royalties	(4,364)	(8.55)	(2,688)	(7.43)
Operating costs	(7,388)	(14.48)	(4,030)	(11.15)
Transportation	(1,187)	(2.32)	(437)	(1.21)
Operating netback (1)	11,895	23.33	7,570	20.94
General and administrative expenses	(2,479)	(4.86)	(2,597)	(7.18)
Professional fees	(712)	(1.40)	(663)	(1.84)
Bad debts	(2)	-	(526)	(1.45)
Net interest expense	(1,585)	(3.11)	(856)	(2.37)
Current income tax recovery (expense)	(160)	(0.31)	838	2.32
Funds from operations (1)	6,957	13.65	3,766	10.42
Unrealized gain on commodity contracts	2,395	4.70	92	0.25
Depletion, depreciation and accretion	(14,354)	(28.14)	(11,192)	(30.95)
Stock-based compensation expense	(167)	(0.33)	(2,513)	(6.95)
Loss on sale of pipeline asset	(428)	(0.84)	-	-
Loss before future income taxes	(5,597)	(10.96)	(9,847)	(27.23)
Future income tax recovery	1,844	3.62	1,877	5.19
Net loss	(3,753)	(7.34)	(7,970)	(22.04)
Sales volume (boe/d)	1,393		990	

(1) Non-GAAP measures.

OIL AND NATURAL GAS RESERVES AND PRESENT VALUES

The following table provides summary information presented in the Sproule Report effective December 31, 2008. Detailed reserve information is presented in the Company's Annual Information Form.

Company Interest Oil and Gas Reserves				
Based on Forecast Prices and Costs				
	Light/Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Natural Gas (mmcf)	Barrels of Oil Equivalent (mboe)
Proved				
Producing	-	42.2	12,560	2,136
Non-Producing	-	0.3	1,038	173
Undeveloped	-	7.1	8,345	1,398
Total Proved	-	49.5	21,942	3,707
Probable	-	22.7	14,366	2,417
Total Proved and Probable		72.2	36,308	6,124

Present Values of Future Net Revenue				
Based on Forecast Prices and Costs				
	0%	5%	10%	
	\$mm	\$mm	\$mm	
Proved				
Producing	53,545	44,136	37,667	
Non-Producing	3,181	2,610	2,198	
Undeveloped	24,322	18,388	14,143	
Total Proved	81,048	65,134	54,009	
Probable	59,053	43,560	33,468	
Total Proved and Probable	140,101	108,694	87,477	

Notes:

- (1) In the case of boes, using boes derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil (6 mcf:1 bbl).
- (2) Total values may not add due to rounding.
- (3) Net present values are before tax.
- (4) It should not be assumed that the undiscounted and discounted future net revenue estimated by the Sproule report represents the fair market value of the reserves.
- (5) Company Interest consists of working interest and royalty interest before deduction of royalties payable.

NET ASSET VALUE

Based on the Sproule Report and the independent land evaluation, the Company's Net Asset Value as at December 31, 2008 is determined to be as follows:

	(\$000 except per share data)
Net Present Value of Proven and Probable Reserves	87,477
Estimated Value of Undeveloped Land	15,244
Other Asset	3,400
2008 Bank Debt and Working Capital Deficiency	(20,993)
Net Asset Value	85,128
Shares Outstanding	26,922
Net Asset Value Per Share	\$ 3.16

RECONCILIATION OF RESERVES

Based on the Sproule Report the following is the Reconciliation of the Company's Reserves for December 31, 2008, compared to December 31, 2007:

	Reconciliation of Gross Reserves (before Royalties) MBOE Based on Forecast Prices and Costs		
	Gross Proved	Gross Probable	Gross Proven Plus Probable
December 31, 2007	4,108	2,347	6,456
Extensions	186	161	347
Improved Recovery	0	0	0
Technical Revisions	(65)	(260)	(325)
Discoveries	0	187	187
Acquisitions	0	0	0
Dispositions	0	0	0
Economic Factors	(1)	(19)	(19)
Production	(522)	(0)	(522)
December 31, 2008	3,706	2,417	6,123

RESERVE REPLACEMENT

Fortress was able to replace 102% of its 2008 annual production however experienced 325 mboe of technical revisions primarily due to a reduction of Probable Reserves. The largest reduction of reserves was experienced at Mearon where proven and probable reserves decreased 29% due to poor production performance relative to prior expectations. As part of its winter capital program, Fortress is conducting a number of work-overs to restore some of the production from the Mearon and Ladyfern North areas. Most of the reserve additions were experienced at Square Creek and Pine Creek where 326 mboe were added.

OUTLOOK

Most of Fortress's properties are located in areas that can only be accessed during winter months from mid December to the end of March. The remote access results in higher capital and operating costs than experienced in other areas. Faced with a low commodity price, Fortress has focused its attention on reducing costs to improve operating cash flow and profitability. Fortress will continue to build its 40 development well project inventory but will only fund a few projects that are most likely to provide the highest possible return with immediate cash flow. The Company is also building an inventory of projects that are located in areas of Western Canada that have all season access.

Fortress will continue to examine the futures market at ways to mitigate the commodity price fluctuation through financial instruments and forward sale contracts. At this time approximately 55% of Fortress's natural gas is sold forward through to March 31, 2010.

BOE Presentation

Natural gas reserves and volumes recorded in thousand cubic feet are converted to barrels of oil equivalent ("boe") on the basis of six thousand cubic feet ("mcf") of gas to one barrel ("bbl") of oil. The term "barrels of oil equivalent" may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 bbl is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead.

Caution to Reader

This news release contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by Fortress at the time of preparation, may prove to be incorrect. The actual results achieved in future periods will vary from the information provided herein and the variations may be material. Consequently, there is no representation by Fortress that actual results achieved during future periods will be the same in whole or in part as the information contained herein.

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