

July 6, 2009

Fortress Enters into Letter of Intent to Acquire Producing Natural Gas Property in Square Creek

Fortress Energy Inc. (FEI:TSX) ("Fortress" or the "Company") is pleased to announce that it has entered into a Letter of Intent ("LOI") to acquire a 50% working interest in a producing natural gas property in the Square Creek area of Alberta.

Background

Fortress had originally acquired an interest in the Square Creek area through a farm-in with the Vendor (a senior oil and gas producer) whereby Fortress drilled four wells in 2007 to earn a 50% working interest in 22,400 gross acres of land. Since then, the Company has augmented its land position in the area and currently holds an interest in 32,000 gross acres of land at Square Creek. The success of the initial four wells led to the discovery of a 17 Bcf accumulation in multiple horizons, in which Fortress subsequently drilled five additional wells and completed the construction of a 41 km pipeline and production facilities capable of processing 10 Mmcf/d. Since being placed on production in April 2008, the Square Creek Property has produced approximately 2.6 Bcf.

Currently the volumes being produced from the Square Creek property are 5.4 Mmcf/d, however Fortress has elected to restrict production due to the current low gas price environment. The Company plans to explore the possibility of increasing throughput in the field later in the year.

Square Creek Acquisition

The LOI allows Fortress to acquire the 50% working interest it currently does not own for cash consideration of \$7.0 million. The acquisition provides Fortress with an additional 2.7 Mmcf/d of production and the potential to increase production from the area. A Sproule Associates Limited engineering evaluation dated December 31, 2008, estimates the reserves of the 50% working interest being acquired to be total proved of 5.2 Bcf and total proved plus probable of 7.5 Bcf.

Since Fortress is the operator of the property, no additional staff or overhead is required to manage these additional assets. The acquisition results in an increase of the Company's the average working interest in all of properties from 67% to 80%, increases its current production by 37% from 7.5 Mmcf/d to 10.2 Mmcf/d and gives Fortress the opportunity to increase production further by improving capacity at the Clear Prairie Gas Plant.

Mr. Bailey President of Fortress said that, "The acquisition is consistent with our strategy of 'buy and exploit' and the opportunity to buy high quality gas producing assets is today. Upon closing the transaction, we will control 100% of the Square Creek property, thereby providing Fortress with a number of operational efficiencies that can be put in to place."

The acquisition is subject to the execution of a formal purchase and sale agreement and subject to financing.

About Fortress

Fortress (FEI:TSX) is a TSX listed Canadian junior natural gas exploration and production company with 88,000 net acres of undeveloped land with current production of 7.5 Mmcf/d. Fortress has sold forward 4.6 Mmcf/d of its production through to March 2010 at prices of \$8.30/Mcf in 2009 and 8.36/Mcf for the first quarter of 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 regarding the completion of the proposed acquisition. 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 it will close the proposed acquisition or complete the financing.

This news release is not for dissemination in the United States or to any United States news services. The common shares of Fortress have not and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold in the United States or to any U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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