

FORTRESS ENERGY ANNOUNCES YEAREND 2009 FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA--(Marketwire – March 29, 2010) – Fortress Energy Inc. ("Fortress" or the "Company") (TSX: FEI) today announces its financial and operating results for the fourth quarter and year ended December 31, 2009. In addition, the Company also announces that it has filed its Annual Information Form (AIF) which includes Fortress' reserves data and other oil and gas information for the year ended December 31, 2009 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). The Company's AIF, financial statements, management's discussion and analysis and notes to the financial statements for the year ended December 31, 2009 are available on the Company's website (www.fortressenergy.ca) or SEDAR (www.sedar.com).

FINANCIAL AND OPERATING SUMMARY

	Three months ended December 31,				Year ended December 31,			
	2009		2008		2009		2008	
	(\$000's)	\$/boe	(\$000's)	\$/boe	(\$000's)	\$/boe	(\$000's)	\$/boe
Petroleum and natural gas sales	4,798	37.17	5,962	47.41	18,589	39.87	24,834	48.68
Royalties	71	0.55	(943)	(7.50)	(714)	(1.53)	(4,364)	(8.55)
Operating expenses	(1,995)	(15.45)	(1,823)	(14.50)	(7,422)	(15.92)	(7,388)	(14.48)
Transportation expenses	(223)	(1.73)	(279)	(2.22)	(915)	(1.96)	(1,187)	(2.32)
Operating netback ⁽¹⁾	2,651	20.54	2,917	23.19	9,538	20.46	11,895	23.33
Environmental remediation	(134)	(1.03)	-	-	(134)	(0.29)	-	-
General and administrative expenses	(821)	(6.36)	(715)	(5.69)	(2,908)	(6.24)	(2,479)	(4.86)
Professional fees	(73)	(0.57)	(311)	(2.47)	(675)	(1.44)	(712)	(1.40)
Bad debts	(132)	(1.02)	(84)	(0.67)	(294)	(0.63)	(2)	-
Interest expense	(277)	(2.15)	(534)	(4.24)	(917)	(1.97)	(1,585)	(3.11)
Current income tax expense	(42)	(0.33)	(160)	(1.27)	(96)	(0.21)	(160)	(0.31)
Funds from operations ⁽¹⁾	1,172	9.08	1,113	8.85	4,514	9.68	6,957	13.65
Unrealized gain (loss) on commodity contracts	(808)	(6.26)	1,062	8.44	(1,166)	(2.50)	2,395	4.70
Depletion, depreciation and accretion	(2,720)	(21.07)	(3,727)	(29.64)	(13,170)	(28.24)	(14,354)	(28.14)
Ceiling test impairment	(4,820)	(37.34)	-	-	(19,096)	(40.95)	-	-
Stock-based compensation	(153)	(1.19)	(18)	(0.14)	(388)	(0.83)	(167)	(0.33)
Loss on sale of pipeline asset	(304)	(2.35)	-	-	(304)	(0.65)	(428)	(0.84)
Loss before future income taxes	(7,633)	(59.13)	(1,570)	(12.49)	(29,610)	(63.49)	(5,597)	(10.96)
Future income tax reduction	276	2.14	946	7.53	3,868	7.72	1,844	3.62
Net loss	(7,357)	(56.99)	(624)	(4.96)	(25,742)	(55.20)	(3,753)	(7.34)
Sales volume (boe/d)	1,403		1,367		1,278		1,393	

⁽¹⁾ Non-GAAP measures. The terms "funds from operations" and "operating netback" are not recognized measures under GAAP. Management believes that in addition to net income, funds from operations and operating netback are useful supplemental measures as they provide an indication of the results generated by the Company's principal business activities before the consideration of how those activities are financed. Investors are cautioned, however, that these measures should not be construed as alternatives to net income determined in accordance with GAAP. The Company's method of calculating funds from operations may differ from that of other companies, and, accordingly it may not be comparable to measures used by other companies. The Company calculates funds from operations by taking cash flow from operating activities as determined under GAAP before changes in non-cash operating working capital and abandonment expenditures. Operating netback is calculated on a per boe basis taking petroleum and natural gas sales and deducting royalties, operating expenses and transportation expenses.

Highlights

- Achieved funds from operations for the fourth quarter of \$1.2 million. Fortress realized funds from operations for 2009 of \$4.5 million compared to \$7.0 million for 2008. The decrease was due to lower natural gas prices in 2009 partially offset by gains on commodity contracts.
- Acquired a partner's 50 percent working interest in its Square Creek property. The completion of the acquisition provides Fortress an additional 2.7 Mmcf/d of production and the potential to increase production from the area.
- Increased estimated gross recoverable reserves by 38% and achieved corporate proved and probable finding and development costs of \$1.84/mcf.
- Took several key steps to materially reduce operating costs at Square Creek including replacing the field operations contractor at the third party facility that processes the Square Creek production effective November 15th.
- Received a natural gas price of \$7.92/mcf on 4.6 Mmcf/d, being 58% of production, as a result of commodity contracts. The Company will receive an average natural gas price of \$6.58/mcf on a volume of 6.0 Mmcf/d for 2010.
- AECO natural gas prices averaged \$4.55/mcf for the fourth quarter. Fortress was able to enjoy the benefits of its forward sale to receive an average price of \$6.15/mcf for the fourth quarter.
- Used the period of low gas prices to perform maintenance at Buick Creek and re-route gas production at Velma, saving processing and contract operating costs at this property.
- Realized average production for the fourth quarter of 1,403 boe/d.

Outlook for 2010

The Company's outlook for 2010 is to complete the acquisition of the Boyer assets which it announced on March 4, 2010. Fortress expects that the acquisition will be financed through a combination of new debt and equity. In connection with the acquisition, the Company anticipates obtaining up to \$100,000,000 in new credit facilities to replace existing facilities from a syndicate of banks. Once the acquisition of Boyer has closed, the Company will spend the remainder of 2010 focusing on production optimization opportunities. The Company intends to distribute a portion of its net cash flow from operations as quarterly dividends.

The Company has continued with an aggressive hedge program and has sold forward 65% of its current production of 10.5 Mmcf/d from April 1, 2010 to December 31, 2010 at \$6.20/mcf.

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, including without limitation statements concerning the completion of the asset acquisition, the completion of the financing, replacement of existing credit facilities, the plan to pay dividends, and optimization of production. 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. In respect of the forward looking information provided herein, the Company has assumed that the acquisition will close, it will be able to finance the acquisition and obtain replacement credit facilities and it will be able to institute operational improvements to increase production and reduce costs and that commodity prices will stabilize. There are risks associated with the forward looking statements including completion of the acquisition, the ability to obtain financing on acceptable terms, the continued performance characteristics of the oil and gas properties including production levels and the associated cash flow there from fluctuations in commodity prices and the ability to improve operations. Consequently there is no representation by Fortress that it will close the proposed acquisition, complete the financing, maintain production levels, or pay dividends.

In addition there is no representation by Fortress that the actual results achieved during future periods will be the same in whole or in part as the information contained herein.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. 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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