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## **FORTRESS ENERGY ANNOUNCES CLOSING OF ASSET SALE**

Calgary, Alberta--(Marketwire – September 1, 2010) – Fortress Energy Inc. ("Fortress" or the "Company") (TSX: FEI) is pleased to announce that it has closed the previously announced sale of substantially all of its oil and gas assets to Terra Energy Corp. ("Terra"). The transaction was subject to shareholder approval and 99.6 percent of Fortress shareholders voted in favour of the transaction at a special meeting of shareholders held on August 25, 2010. The transaction results in Fortress receiving cash proceeds of \$25,870,361 and 3,664,444 common shares of Terra (1,000,000 shares of which are to be held in escrow for four (4) months to satisfy any claims with respect to the Company's representations and warranties). The Company's oil and gas properties in the Buick Creek and Pine Creek areas were not included in the sale. A portion of the cash proceeds was used to repay bank indebtedness.

### **Caution to Reader**

This news release contains forward-looking information including the receipt by the Company of the full purchase price. This assumes no successful claims after closing by Terra which assumption may prove to be incorrect. The reader is cautioned that assumptions such as the foregoing 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.

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.

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 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.

### **For further information:**

Mr. J. Cameron Bailey, President and Chief Executive Officer

Phone: (403) 290-2450

Fax: (403) 398-3351

Email: [cbailey@fortressenergy.ca](mailto:cbailey@fortressenergy.ca)

Mr. Jamie Jeffs, Chief Financial Officer

Phone: (403) 290-2470

Fax: (403) 398-3351

Email: [jjeffs@fortressenergy.ca](mailto:jjeffs@fortressenergy.ca)