

Fortress Energy Inc. Announces CCAA Protection Extension and Continues to Dispute its CRA Claim

Calgary, Alberta--(Marketwire – March 31, 2011) – Fortress Energy Inc. (“**Fortress**” or the “**Company**”) announced that its application to the Court of Queen's Bench of Alberta for an Order under the *Companies' Creditors Arrangement Act* (Canada) (“**CCAA**”) to extend its CCAA protection has been granted, allowing the Company to continue to prepare a plan of arrangement for its creditors if necessary, and staying all claims and actions against the Company and its assets. The extension under the Order granted will be in effect until May 27, 2011, at which time the matter will be reviewed by the Court.

The order permits the Company to remain in possession and control of its property, carry on its business, and retain employees and other service providers. While the Order is in effect the Company will continue to work with its Court appointed Monitor, Hardie & Kelly Inc. Further information in connection with the proceedings can be found on their website at www.relieffromdebt.ca/index.php/Current-Engagements.html.

Fortress has taken this step to enable Fortress to challenge a reassessment issued by the Canada Revenue Agency (the “**CRA**”), which reassessment is in the amount of approximately \$18 million. As a result of the reassessment, if the Company took no action, it would be compelled to immediately remit \$9 million to the CRA and the Company does not have the necessary funds to remit. Other than the claim by CRA, Fortress has sufficient liquid assets to pay all other liabilities and trade payables. Fortress believes that the CRA's position is not sustainable and intends to vigorously dispute the CRA's claim. On March 28, 2011, Fortress filed a Notice of Objection to the reassessment with Appeals Division of the CRA and is awaiting a response from an Appeals Officer.

As previously announced trading of the securities of Fortress on the TSX ceased on March 31, 2011. Fortress had announced that it did not meet the listing requirement of the TSX by virtue of the sale of substantially all of its oil and gas assets on September 1, 2010. The Company has submitted an application for listing on the TSX Venture Exchange. However in light of the Order, Fortress is uncertain as to the status of listing or trading on the TSX Venture Exchange. The Company is also filing an application for listing on the Canadian National Stock Exchange which the Company understands permits trading while the Company is subject to the CCAA Order.

Caution to Reader

This news release contains forward-looking information including potential success in disputing the CRA reassessment, the listing application to and potential future trading on the TSX Venture Exchange and the Canadian National Stock Exchange. The reader is cautioned that the Company may not be successful in its challenge or have its securities listed for trading. If it is unsuccessful in its dispute with CRA the financial ramifications to the Company would be severe, as the Company does not have the necessary funds to remit, and the Company would be unlikely to continue as a viable entity. 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.

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