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## FORTRESS ENERGY ANNOUNCES THIRD QUARTER 2011 FINANCIAL AND OPERATING RESULTS

Calgary, Alberta--(Marketwire – November 29, 2011) – Fortress Energy Inc. ("Fortress" or the "Company") today announces its financial and operating results for the three and nine months ended September 30, 2011. The Company's financial statements, management's discussion and analysis and notes to the financial statements for the three and nine months ended September 30, 2011 are available on the Company's website ([www.fortressenergy.ca](http://www.fortressenergy.ca)) or SEDAR ([www.sedar.com](http://www.sedar.com)).

### HIGHLIGHTS

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
<b>Financial</b> (\$000's except per share amounts)				
Natural gas sales	254	2,566	539	11,178
Funds from (used in) operations: <sup>(1)</sup>	(1,290)	2,199	(2,616)	4,401
Per share – basic	(0.02)	0.04	(0.05)	0.08
Per share – diluted	(0.02)	0.04	(0.05)	0.08
Net loss	(2,549)	(1,148)	(4,980)	(25,656)
Per share – basic	(0.05)	(0.02)	(0.09)	(0.46)
Per share – diluted	(0.05)	(0.02)	(0.09)	(0.46)
Working capital <sup>(2)</sup>	113	7,315	113	7,315
<b>Operations</b>				
Average production:				
Natural gas (Mcf/d)	553	7,084	353	9,055
Natural gas liquids (bbl/d)	11	17	8	21
Total (Mcf/d)	619	7,185	402	9,182
Average sales price:				
Natural gas (\$/Mcf)	3.52	3.81	3.75	4.38
Natural gas liquids (\$/bbl)	74.33	54.12	80.64	60.56
Total (\$/Mcf)	4.47	3.88	4.91	4.46
Operating netback <sup>(1)</sup> (\$/Mcf)	1.61	6.24	2.03	3.75

<sup>(1)</sup> Non-IFRS measures. The terms "funds from operations" and "operating netback" are not recognized measures under IFRS. 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 IFRS. 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 IFRS before changes in non-cash operating working capital and abandonment expenditures. Operating netback is calculated on a per Mcfe basis taking natural gas sales and deducting royalties, operating expenses and transportation expenses.

<sup>(2)</sup> Working capital (deficiency) is defined as current assets less current liabilities.

<sup>(3)</sup> Operating netback includes realized gains (losses) on commodities contracts.

## **CCAA Proceedings**

As previously announced, on October 26, 2011, the Company received revised notices of reassessment from the CRA indicating that CRA was vacating its claim reversing the previous assessments and resulting in no federal income taxes or penalties payable. The Company expects that the provincial claim will also be vacated in due course. Accordingly, Fortress no longer requires the protection of the Order under the CCAA. On October 28, 2011, the Company applied to the Court of Queen's Bench of Alberta to discharge the Company from the CCAA proceedings and is no longer subject to the CCAA.

## **Natural Gas, Crude Oil and Natural Gas Liquids (NGL) Conversions**

Certain crude oil and NGL volumes have been converted to cubic feet equivalent (cfe) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). Cfe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

## **Caution to Reader**

This news release contains forward-looking information, including without limitation statements concerning the resolution of the dispute with CRA and expectations that the provincial reassessment will be vacated. 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. There are risks associated with the forward-looking statements including there can be no assurance that the provincial taxing authority will follow the decision of CRA to vacate their claim for taxes on the reassessment. Consequently there is no representation by Fortress that the provincial claim will be vacated.

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.

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