

June 5, 2007

## **Fortress Energy Inc. Announces Strategic Acquisition, Financing and Board Appointment**

FEI:TSX Fortress Energy Inc. (“Fortress” or the “Company”) is pleased to announce that it has entered into a transaction (the “Transaction”) to acquire certain strategic natural gas assets in its core operating areas, principally in the Ladyfern and Velma areas in British Columbia, and the Mearon area in Alberta, for cash consideration of \$13.25 million, subject to final adjustments. This acquisition is expected to close on or before July 10, 2007.

The Transaction provides approximately 300 boe/d of immediate production gains from Ladyfern and Mearon with additional behind pipe production from Velma which is expected to be on production in July 2007. The total remaining recoverable reserves, as evaluated by Sproule Associates Limited at December 31, 2006 and mechanically updated to April 30, 2007, are approximately 1.0 million boe on a proven basis and 1.5 million boe on a proven plus probable basis. This acquisition consolidates Fortress' working interest in key producing areas and provides the Company with numerous development opportunities. In addition, it consolidates the Company's interests in a high impact exploration area where the Company has budgeted a drilling location for next year and also provides the Company with a new footprint in several other areas through the addition of approximately 50,000 net acres of undeveloped land in British Columbia and Alberta.

### **Bank Financing**

Fortress has an available demand revolving credit facility of \$19 million, subject to an initial borrowing capacity of \$18 million. The proceeds of this facility will be used to complete the Transaction. Upon completion of the Transaction additional borrowing capacity will be applied for.

### **Increased Land Base**

The Transaction consolidates the Company's interests in the Ladyfern, Mearon and Velma areas and is anticipated to be accretive to production, reserves and net asset value per share. The Transaction includes approximately 50,000 net acres of undeveloped land, which increases the Company's working interest in the Dahl area in British Columbia and Halverson area in Alberta, both of which have drill ready locations, and exposes the Company to high working interests in undeveloped lands in close proximity to its existing activities between the Ladyfern and Square Creek areas.

### **Board Appointment**

The Company is pleased to announce the appointment of Don Leitch to the Board of Directors. Don is a partner with the law firm of Carscallen Leitch LLP and brings over twenty years of experience in advising public companies in the resource and technology

sectors. His practice involves mergers and acquisitions, public and private financings as well as advising the boards of directors on governance and compliance issues. He has been and is presently on the board of several other public companies.

### ***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. 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 actual results achieved during future periods will be the same in whole or in part as the information contained herein.

This news release is not for dissemination in the United States or to any United States news services. The common shares of Signal 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

Mr. Jamie Jeffs, Chief Financial Officer,  
Phone: (403) 290-2470  
Fax: (403) 398-3351  
Email: jjeffs@fortressenergy.ca  
www.fortressenergy.ca