

For Immediate Release



**FORTRESS PAPER ANNOUNCES CLOSING OF THE
ACQUISITION OF LEBEL-SUR-QUEVILLON PULP MILL ASSETS**

VANCOUVER, British Columbia, June 20, 2012 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (**TSX:FTP**) is pleased to announce today that it has closed the acquisition of the pulp mill assets located at Lebel-sur-Quevillon, Quebec (the "LSQ Mill") previously announced on June 14, 2012. The collective agreements with the unionized employees of the LSQ Mill have been ratified, the documents held in escrow have been released and the acquisition has now completed.

About Fortress Paper

Fortress Paper operates internationally in three distinct business segments: dissolving pulp, specialty papers and security paper products. The Company operates its dissolving pulp business at the Fortress Specialty Cellulose Mill located in Canada which is also in the process of expanding into the renewable energy generation sector with the construction of a cogeneration facility. The Company operates its specialty papers business at the Dresden Mill located in Germany, where it is a leading international producer of specialty non-woven wallpaper base products. The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers, and at its Fortress Optical Facility located in Canada, where it manufactures optically variable thin film material.

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