

For Immediate Release



FORTRESS PAPER ANNOUNCES APPOINTMENT OF DIRECTOR

VANCOUVER, British Columbia, October 18, 2012 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") is pleased to announce today the appointment of Joe Nemeth to the Board of Directors of the Company.

Mr. Nemeth has over 25 years of experience in the pulp and paper industry. Most recently, Mr. Nemeth held the position of President and Chief Executive Officer of Canfor Pulp Holding Inc., the general partner of Canfor Pulp Limited Partnership, having previously served as Vice-President, Sales and Marketing. Prior to joining Canfor, Mr. Nemeth worked in the Green Power Business as President and Chief Executive Officer of Greenbelt Renewable Energy. Prior to working at Greenbelt, Mr. Nemeth spent 14 years working in various positions at Fletcher Challenge Canada (now Catalyst Paper Corporation), with the two most recent positions being Vice-President, Sales and Marketing and Production Director of the Elk Falls Paper Division.

Mr. Nemeth holds a Master of Business Administration degree from the University of Western Ontario and a Bachelor of Forestry degree from the University of British Columbia.

The Company also announces that Pierre Monahan will retire from the Board of Directors of the Company effective December 31, 2012. In the interim, Mr. Monahan will continue to serve as a member of the Compensation, Governance and Capital Projects Steering Committees. Mr. Nemeth has also been appointed to such Committees in order to facilitate the transition following Mr. Monahan's departure. Mr. Nemeth will act as Chair of the Capital Projects Steering Committee.

Chad Wasilenkoff, Chief Executive Officer of Fortress Paper commented: "We are very pleased to have someone of Joe Nemeth's caliber and extensive experience joining our Board. I am confident his expertise will provide valuable guidance as we advance our business plans. On behalf of the Board, I would also like to acknowledge the significant contribution that Mr. Monahan has made to Fortress Paper over the past two years, and thank him for his leadership as we entered into the specialty cellulose sector."

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 is also seeking to expand its dissolving pulp capacity with the recent acquisition of the Fortress Global Cellulose Mill located at Lebel-sur-Quévillon, Québec, which the Company intends to convert into a dissolving pulp mill and where the Company intends to re-start the 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.

For further information, please contact:

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