

For Immediate Release



FORTRESS PAPER ANNOUNCES EXERCISE OF UNDERWRITERS' OPTION

VANCOUVER, July 19, 2007 – Fortress Paper Ltd. ("Fortress Paper" or the "Corporation") announced today that RBC Dominion Securities Inc. and TD Securities Inc., as co-lead underwriters, and Raymond James Ltd., (collectively, the "Underwriters") have exercised their option pursuant to an underwriting agreement between the Corporation and the Underwriters dated June 20, 2007, entered into in connection with the initial public offering of the Corporation, to purchase an additional 750,000 common shares of the Corporation. The additional common shares will be issued at a price of \$8.00 per share, bringing the total gross proceeds from the initial public offering of the Corporation to \$46 million. Proceeds of the initial public offering will be used to finance capital growth projects at both of the Corporation's mills located in Germany and Switzerland, repay certain indebtedness and for general corporate purposes.

The Corporation is headquartered in Vancouver, British Columbia, Canada.

About Fortress Paper Ltd.

Fortress Paper is a leading international producer of security and other specialty papers. Fortress Paper operates two paper mills, the Landqart Mill located in Switzerland and the Dresden Mill located in Germany. Fortress Paper's security papers include banknote, passport and visa papers and its specialty papers include non-woven wallpaper base products, and graphic and technical papers. As an extension of its security papers business, the Landqart Mill has been actively developing and marketing innovative paper-based security products.

For more information, please contact:

Chadwick Wasilenkoff
Fortress Paper Ltd.
604-904-2328
info@fortresspaper.com

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Fortress Paper Ltd. with respect to its performance, business and future events. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, those relating to changes in the market, potential downturns in economic conditions, foreign exchange fluctuations, regulatory requirements, competition and other risk factors listed from time to time in the Corporation's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Fortress Paper Ltd. does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements.

Neither the Toronto Stock Exchange nor any other regulatory body has reviewed and therefore does not accept responsibility for the adequacy or accuracy of this release.

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