

For Immediate Release



FORTRESS PAPER ANNOUNCES COST CUTTING INITIATIVES

VANCOUVER, British Columbia, May 28, 2009 – Fortress Paper Ltd. ("Fortress" or the "Company") (TSX:FTP) announces several cost cutting initiatives which are estimated to deliver annual cost savings of over \$5 million.

The Landqart mill has implemented a 10% wage reduction across the board, including management, beginning June 2009. This will take 3 to 6 months to fully implement and is expected to result in annual savings of \$1.6 million.

At the Landqart mill, production on PM#1 (the specialty paper and low/medium security paper machine) has been reduced from 4 shifts to 3. In addition the Company has taken steps to cut personnel and overhead costs. These measures are expected to translate into annual savings of \$2.7 million. Production on PM#2, the bank note paper machine, will continue at 100% capacity as the orderbook remains full and demand continues to be strong.

As of January 1, 2009 the factoring agreement at Dresden was discontinued. With Dresden's strong financial position, the Company is now in a position to manage this operation in-house. This together with our corporate restructuring is expected to result in yearly cost savings of \$1.1 million. The Company utilizes credit insurance to manage the risk associated with trade receivables. Approximately 90% of the Dresden mill's trade receivables are insured.

Despite the severe market challenges encountered by our specialty papers business at Landqart, our core products of security and non-woven wallpaper base remain resilient. We are committed to continue to reduce costs at both our mills. Management appreciates the wage reductions that have been accepted by the entire team at the Landqart mill and the cost-cutting initiative efforts to date at both mills.

The Company

Fortress Paper is a leading international producer of security and other specialty papers. The Company operates two paper mills, the Landqart mill located in Switzerland and the Dresden mill located in Germany. The Company'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.

Forward-Looking Statements

Some information in this news release contains forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events. The reader is cautioned that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation, those relating to damage to our reputation, competition, maintaining our market position, marketability and price of our products, technology and protection of our intellectual property, dependence on our major customers, fluctuations in the price and supply of raw materials, fluctuations in foreign exchange and other risk factors detailed in our filings with Canadian

securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. Fortress Paper Ltd. does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements.

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