

For Immediate Release



TSX: FTP

June 8, 2010

Fortress Paper Announces \$40,866,500 Bought Deal Offering

Fortress Paper Ltd. ("Fortress Paper" or the "Company") (TSX:FTP), announces that it has entered into a financing agreement with a syndicate of underwriters led by Dundee Securities Corporation and including Jennings Capital Inc., Raymond James Ltd., and TD Securities Inc. (the "Underwriters"). Pursuant to the agreement, the Underwriters have agreed to purchase, on a bought deal basis, 1,739,000 common shares ("Shares") of the Company priced at \$23.50 per Share (the "Offering Price"), for total gross proceeds of \$40,866,500 (the "Offering").

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 260,850 common shares of the Company at the Offering Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing of the Offering. If the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be \$46,996,475.

Fortress Paper intends to use the net proceeds of the offering to finance certain capital expenditures relating to its Fortress Specialty Cellulose Mill in Thurso, Quebec and its rebuild of papermachine number 1 at its Landqart Mill, and for working capital and general corporate purposes.

The Offering is expected to close on or about July 9, 2010 and is subject to certain customary conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange and the applicable securities regulatory authorities. The offering will be made in Canada by way of a short form prospectus and may be made in jurisdictions outside of Canada on a private placement basis pursuant to prospectus and registration exemptions in accordance with applicable laws. The Company intends to file a preliminary short form prospectus relating to the offering with the applicable securities regulatory authorities in Canada in due course.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities in the United States.

About Fortress Paper

Fortress Paper is a leading international producer of security and other specialty papers and products. Fortress Paper operates three mills, the Landqart Mill located in Switzerland, the Dresden Mill located in Germany and the Fortress Specialty Cellulose Mill located in Quebec, Canada. 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.

Fortress Paper's pulp business will include NBHK with the re-start of the Fortress Specialty Cellulose Mill with plans to convert this capacity into dissolving pulp production along with the construction of a biomass based cogeneration plant.

FOR FURTHER INFORMATION PLEASE CONTACT:

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This press release contains certain forward-looking statements that reflect the current views and/or expectations of Fortress Paper with respect to its performance, business and future events, including statements regarding Fortress Paper's intention to conduct a public offering of its common shares; the timing and completion of the intended offering; and the intended use of proceeds. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Corporation operates, including assumptions relating to the timing of and the Corporation's ability to successfully complete the offering; that all approvals for the offering will be received; and that there will be no events that trigger termination rights under the agreement with the Underwriters. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, that the Corporation will be unable to receive approvals required for the offering; that the offering will not be completed in the expected timeframe or at all; and those risks relating to changes in the market, potential downturns in economic conditions, fluctuations in the price and supply of raw materials, foreign exchange fluctuations, labour relations, regulatory requirements, reputation, competition, dependence on major customers, 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. Accordingly, readers should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

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