

For Immediate Release



FORTRESS PAPER PROVIDES UPDATE ON DISSOLVING PULP CONVERSION PROJECT

VANCOUVER, British Columbia, September 2, 2011 – Fortress Paper Ltd. ("Fortress" or the "Company") (TSX:FTP) wishes to report that the construction relating to the conversion of the Fortress Specialty Cellulose Mill from a NBHK pulp to a dissolving pulp operation is proceeding substantially on schedule. However, due to rescheduling of the delivery and installation of specialized equipment, the enhancement of certain processes, and other ancillary matters, the Company has decided to marginally delay the necessary shut down of the mill required to make tie-ins and upgrades on existing equipment. Accordingly, the production of dissolving pulp is now scheduled to commence in early November 2011. The Company believes that the enhancements to certain processes will provide for a smoother start up and ramp up to full production capacity.

The deferment in the production of dissolving pulp is partially mitigated by the mill's existing production of specialty pulp which yields a higher margin as compared to NBHK pulp. This specialty pulp is manufactured in strict accordance with certain technical specifications requested by the Company's customers. The Company believes that, as a result of the extensive development and training experience derived from achieving the tolerances required for this unique specialty pulp, the mill will be positioned for a more efficient transition to dissolving pulp production later this year.

About Fortress Paper

Fortress Paper is a leading international producer of security and other specialty papers and products. Fortress 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 includes specialty pulp produced at the Fortress Specialty Cellulose Mill, which is currently in the process of converting this capacity into dissolving pulp production along with the construction of a biomass based cogeneration plant.

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This news 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 the timing of completion of its conversion project and the commencement of dissolving pulp production; the success of the transition to dissolving pulp at the Fortress Specialty Cellulose Mill and returns on interim specialty pulp production. 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 Company operates. 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, risks relating to potential disruptions to production and delivery, regulatory requirements, changes in the market, potential downturns in economic conditions, fluctuations in the price and supply of required materials, foreign exchange fluctuations, labour relations, dependence on major customers, and other risk factors listed from time to time in the Company'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, 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.