



FORTRESS PAPER COMMENCES DISSOLVING PULP PRODUCTION AND PROVIDES CORPORATE UPDATE

VANCOUVER, British Columbia, December 5, 2011 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (**TSX:FTP**) announced today that it has commenced dissolving pulp production at its Fortress Specialty Cellulose Mill in Thurso, Quebec. The centerpiece of the project, a new state of the art pre-hydrolized kraft cooking plant, came on line successfully on Sunday. The commencement of dissolving pulp production signifies the successful completion of the conversion of the Fortress Specialty Cellulose Mill into a dissolving pulp operation.

Chad Wasilenkoff, Chairman and Chief Executive Officer of Fortress Paper, commented: "This is a momentous day in the history of Fortress Paper and a culmination of our work at the Fortress Specialty Cellulose Mill since acquiring the mill in April 2010. We are very proud to join the limited group of dissolving pulp producers in the world and look forward to completing our first shipments. We would like to thank all those involved in helping bring this project on line."

Dresden Mill

The Dresden Mill continues to lead the non-woven wallpaper base market globally. The order book remains strong and its recent upgrades to improve speed and capacity have been successfully implemented. During the past few months, Fortress Paper in its normal course has been reviewing each of its business divisions and assessing all options as part of its strategy to enhance shareholder value. As part of this ongoing evaluation, management identified a potential divestiture opportunity relating to its non-woven wallpaper base division. Given the financial uncertainties and lack of financial confidence in the Euro zone, Fortress Paper management decided not to pursue any divestiture option for the Dresden Mill. With the support of its management team in Germany, Fortress Paper intends to continue to grow this business division organically and potentially through strategic acquisitions.

Landqart Mill

The Landqart Mill has continued to experience challenges throughout the fourth quarter as a result of a strong Swiss franc, high raw material costs, and less than optimal production efficiency on its paper machines. The company expects that these issues will continue to materially impact results of operations in the fourth quarter. The Company anticipates that it will overcome many of these challenges with the new banknote paper orders that have recently been placed at the mill and which represent a significant portion of the mill's 2012 banknote capacity.

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 dissolving pulp produced at the Fortress Specialty Cellulose Mill.

For more information, please contact:

Chadwick Wasilenkoff

Fortress Paper Ltd.

604-904-2328

info@fortresspaper.com

www.fortresspaper.com

"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 operating and financial results, the effectiveness of new banknote paper orders at the Landqart Mill to offset market challenges, and business plans and strategy at the Dresden Mill. 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."