

For Immediate Release



**FORTRESS PAPER ANNOUNCES
CLOSING OF \$57.5 MILLION BOUGHT DEAL OFFERING**

VANCOUVER, British Columbia, February 10, 2011 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (TSX:FTP) is pleased to announce that it has completed its previously announced bought deal offering (the "Offering"), including the exercise in full of the underwriters' over-allotment option, resulting in aggregate gross proceeds of \$57,548,587. The Offering was conducted by way of a short form prospectus dated February 3, 2011 through a syndicate of underwriters led by Raymond James Ltd. and included Dundee Securities Corporation, RBC Dominion Securities Inc., Cormark Securities Inc., TD Securities Inc. and Acumen Capital Finance Partners Limited, who purchased a total of 1,112,050 common shares of the Company at a price of \$51.75 per share.

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 the construction of a high security facility adjacent to the Fortress Specialty Cellulose Mill which will house the Company's optical security material equipment recently acquired from the Bank of Canada, and for working capital and general corporate purposes.

The securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered or sold within 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 news release does not constitute an offer to sell or a 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 Landart 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, high security, passport and visa papers and its specialty papers include non-woven wallpaper base products. Fortress Paper's pulp business includes NBHK produced at 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 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 Fortress Paper's intended use of proceeds raised from the public offering of its common shares. 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 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, 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, 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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