

For Immediate Release



FORTRESS PAPER PROVIDES CORPORATE UPDATE

VANCOUVER, British Columbia, May 6, 2011 – Fortress Paper Ltd. ("Fortress Paper" or, the "Company") (TSX: FTP) wishes to provide a general corporate update relating to its operations.

Fortress Specialty Cellulose Mill

The combination of short supply and strong demand for dissolving pulp has created a robust market. Along with recent announcements of increased capacity in dissolving pulp from conversions and brownfield projects, there have also been corresponding announcements of additional viscose staple fiber capacity. The Company believes that it is well positioned to benefit from the expected timing of completing its conversion at the Fortress Specialty Cellulose Mill to produce dissolving pulp within the next five months. This timing should allow the Company to benefit from the current robust dissolving pulp market as compared to other conversion projects which typically take 18 to 24 months to complete. The Fortress Specialty Cellulose Mill currently produces NBHK and production volumes have been pre-sold through to the expected conversion time.

Dresden Mill

Demand for our non-woven wallpaper base remains strong and the Company's Dresden Mill currently has an order book of approximately 8 weeks.

The Company's 2011 capital expenditures program at the Dresden Mill includes a Euro 3 million upgrade to increase capacity. Upon completion of the upgrade, the maximum speed of the paper machine should be increased to 450m/min which equates to a potential annual capacity of approximately 55,000 tonnes of non-woven wallpaper base. This would represent a 15% increase from our current production capacity of 48,000 tonnes per year.

Fortress Paper continues to seek opportunities to expand its production capacity of non-woven wallpaper base.

Landqart Mill

The Landqart Mill recently completed its paper machine no.1 ("PM1") rebuild to produce banknote and high security papers. The enhanced PM1 allows the Company to consolidate banknote and high security papers production on PM1 and significantly improve overall production efficiency. By consolidating production of bank note and security papers into PM1, the Landqart Mill intends to temporarily suspend the commercial operation of paper machine no. 2 and utilize it only for trials and sample production until such time as this additional capacity is required.

This plan to improve our production efficiency has resulted in a reduction of our overall labour requirements. This reduction will mainly affect production staff, however there will also be a reduction in administrative and middle management personnel. Fortress intends to downsize the work force at the Landqart Mill by approximately 40 to 60 employees.

The Company believes that the streamlined labour costs and improvement in production efficiency will partially offset increased cotton costs and address some of the challenges resulting from a current over capacity due to the postponement of implementation of several major currencies including the new Euro2, Swiss Franc and other banknotes.

Although addressing these challenges and the one-time costs associated with implementing Fortress' efficiency plan will materially impact results of operations in the short term, results of operations are expected to improve once the new currencies have been adopted. The Company remains actively engaged in submitting tenders to produce banknotes for various countries and intends to upgrade its sales force in the coming months. However, there is no assurance that the Company will be selected or as to the timing of any orders to be placed if the Company is selected.

Fortress Optical Features

The Company has commenced the construction of a new high security production and research and development facility adjacent to the Fortress Specialty Cellulose Mill in Quebec which will be the new headquarters for Fortress Optical Features, the optical security products business. Construction of this facility is proceeding on budget and on schedule, and is expected to be completed in the third quarter of 2011. The relocation of the equipment acquired from the Bank of Canada is also proceeding as planned and is on schedule. The Company produces optical security products, including security threads for currency, for sale to global banknote producers, government agencies and other security-related end-users.

Other Activities

Management is working diligently to pursue opportunities which will enhance shareholder value. In addition, the Company intends to build on the foundation of being a strategic buyer of undervalued assets to build value for shareholders and other stakeholders.

Statement of Claim

As previously reported on March 29, 2011, Sateri (Shanghai) Management Limited and Sateri International (Singapore) Pte. Ltd. (together, "Sateri") filed a statement of claim with the Supreme Court of British Columbia against Fortress Paper, its wholly owned subsidiary, Fortress Specialty Cellulose Inc. ("FSC"), and an officer of FSC (a former employee of Sateri). Sateri, an industry competitor to the Company, is seeking, among other things, an injunction to cease the alleged use of its unspecified confidential information. Fortress Paper believes the claim is frivolous, vexatious and entirely without merit and intends to defend it vigorously.

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 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.

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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 its expectations regarding market conditions for dissolving pulp; its competitive position in relation to other dissolving pulp suppliers; the effectiveness of its production efficiency plan at the Landqart Mill to offset market conditions; the timing of completion of the Fortress Optical Facility and commencement of production thereat; and operating and financial results. 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 that market conditions for dissolving pulp will not continue to be favourable; that Fortress will not remain competitive if world capacity for dissolving pulp continues to increase or at all; that its production efficiency plan at the Landqart Mill will not be effective and will not result in improved operational and financial results; that postponement of implementation of new Euro and Swiss Franc banknotes by European governments will adversely affect performance at the Landqart Mill; that the Fortress Optical Facility will not be completed as scheduled and budgeted; that Fortress Paper will not be able to successfully defend claims against it; 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

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