

**For Immediate Release**



**FORTRESS PAPER ANNOUNCES THE COMMENCEMENT OF THE FINAL PHASE OF THE DISSOLVING PULP CONVERSION PROJECT AND THE SIGNING OF NEW BANKNOTE PAPER ORDERS**

VANCOUVER, British Columbia, October 12, 2011 – Fortress Paper Ltd. [www.fortresspaper.com](http://www.fortresspaper.com) ("Fortress" or the "Company") (TSX:FTP) wishes to announce the commencement of the final phase of the dissolving pulp conversion project at its Fortress Specialty Cellulose Mill in Thurso, Quebec and the signing of new banknote paper orders at its Landqart Mill in Landquart, Switzerland.

**Thurso Quebec:**

The Fortress Specialty Cellulose Mill was purchased by Fortress in early 2010 with the plan to convert the NBHK mill to a dissolving pulp producer commencing in May 2011. Moreover, the construction of a cogeneration facility to provide 18.8 megawatts per annum of green power to Hydro Quebec for a 15 year term has also recently broken ground, and is scheduled for completion in the second half of 2012.

Peter Vinall, Chief Executive Officer of Fortress Specialty Cellulose, commented: "The Thurso mill conversion has entered the final shutdown phase which represents the ending of NBHK production at the mill. We have mobilized a workforce of over 800 workers on site to assist with final mill connections and de-bottlenecking work. When the mill is restarted in early November it will be a low cost, high quality dissolving pulp producer with an annual production capacity of approximately 200,000 tonnes."

**Landqart Switzerland:**

Fortress Paper's Landqart Mill reports the signing of new banknote paper contracts for 2012, which represent a significant portion of the mill's annual banknote production capacity.

Chad Wasilenkoff, Chief Executive Officer of Fortress Paper, commented: "Our Landqart Mill was among the winning bids for a number of banknote contracts. Bidding on contracts of this volume would not have been possible prior to our recent PM1 banknote machine upgrade, which increased our overall annual production capacity from 2,500 to 10,000 tonnes."

**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 cogeneration facility. 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.