VANCOUVER, British Columbia, October 7, 2010 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (TSX:FTP) announces that it has increased the purchase commitments for its dissolving pulp to an aggregate of 156,000 air dried metric tonnes ("ADMT") per annum representing approximately 78% of the Fortress Specialty Cellulose Mill's planned annual production capacity.

Fortress Paper, through a wholly-owned subsidiary, entered into a dissolving pulp supply agreement with an additional producer of viscose fibre (rayon) products located in China, for the delivery of approximately 72,000 ADMT of dissolving pulp per annum at a purchase price based on a formula that factors in the prevailing market price of viscose staple fibre in China, subject to minimum pricing terms and no maximum purchase price. The pulp supply agreement is for a term of ten years, with Fortress commencing the supply of dissolving pulp in the third quarter of 2011.

The Company also announces that it has issued 400,000 common shares upon the partial conversion by Solidarity Fund QFL (Fonds de solidarité FTQ) (the "Fonds") of $8,000,000 principal amount of its $15,000,000 unsecured convertible debenture that was issued on April 30, 2010.

Chadwick Wasilenkoff, Fortress Paper's Chief Executive Officer, commented: "We are very pleased to be working with Solidarity Fund QFL (Fonds de solidarité FTQ) on this exciting project in the Province of Québec where they are playing an important role in the Thurso project by providing early-stage capital to Fortress Paper. I would like to thank the Fonds for their support and I would welcome the opportunity to partner with them again in the future."

"We were pleased to partner with Fortress Paper earlier this year. The Company's turnaround plan is well underway. The Thurso plant is already running at a good pace, having called back some 300 employees," said Gaétan Morin, Executive Vice-President, Investments, at Solidarity Fund QFL (Fonds de solidarité FTQ).

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 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 Fortress Paper's planned conversion of the Fortress Specialty Cellulose Mill into a dissolving pulp production facility, the expected production capacity thereat, and expected financial results of the pulp supply agreements. 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 the ability of Fortress to complete the conversion of the Fortress Specialty Cellulose Mill, that the specialty cellulose operation will not be successful or profitable and will not meet anticipated production capacities, that the purchasers will not fulfill their obligations under the pulp supply agreements, 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, reputation, competition, 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.

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