



FORTRESS PAPER ANNOUNCES INCREASE IN PREVIOUSLY ANNOUNCED PUBLIC OFFERING OF CONVERTIBLE DEBENTURES TO \$35 MILLION

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VANCOUVER, British Columbia, December 8, 2011 – Fortress Paper Ltd. (TSX: FTP) (“Fortress Paper” or the “Company”) is pleased to announce that, in response to strong investor demand, it has increased its previously announced bought deal public offering from \$30 million to \$35 million principal amount of convertible unsecured subordinated debentures (the “Debentures”) on the same terms as the previously announced offering. A syndicate led by Raymond James Ltd. and including Canaccord Genuity Corp., Dundee Securities Ltd., RBC Capital Markets, Scotia Capital Inc., TD Securities Inc., Cormark Securities Inc. and Acumen Capital Finance Partners Ltd. (collectively, the “Underwriters”) have agreed to purchase the Debentures at a price of \$1,000 per Debenture. Fortress Paper has also granted the underwriters an over-allotment option to purchase up to an additional \$5.25 million aggregate principal amount of debentures for a period of 30 days following closing to cover over-allotments.

The net proceeds of the financing will be used for repayment of debt, the funding of capital expenditures relating to the Fortress Specialty Cellulose Mill, working capital and general corporate purposes.

The offering is scheduled to close on or about December 22, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange.

A preliminary short-form prospectus will be filed with securities regulatory authorities in all provinces of Canada.

Please refer to the press release issued by the Company on December 7, 2011 for further details with respect to the offering.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered will not be and have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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 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