



FORTRESS PAPER ANNOUNCES SECOND QUARTER 2009 RESULTS

Vancouver, British Columbia, August 10, 2009 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported net income of \$1.9 million for the second quarter of 2009 on sales of \$49.6 million or basic and diluted earnings per share of \$0.19. For the second quarter of 2008 the Company reported net income of \$3.4 million on sales of \$49.1 million or basic and diluted earnings per share of \$0.33. In the first quarter of 2009 the Company reported net income of \$3.6 million on sales of \$46.6 million or basic and diluted earnings per share of \$0.35.

Included in net income for the second quarter of 2009 was a foreign exchange loss of \$0.8 million. Included in net income for the second quarter of 2008 was a future income tax recovery of \$1.1 million relating to the reduction of the combined tax rate in Landqart, Switzerland and a foreign exchange loss of \$0.2 million. Included in net income for the first quarter of 2009 was a foreign exchange gain of \$1.0.

EBITDA was \$5.7 million or 11.5% of sales for the three months ended June 30, 2009. For the three months ended June 30, 2008 EBITDA was \$6.2 million or 12.6% of sales. EBITDA for the first quarter of 2009 was \$5.0 million or 10.8% of sales.

The decrease in EBITDA relative to the prior year comparative period was primarily due to the difficult environment for specialty papers at the Landqart mill which was a direct result of the global economic slowdown. The market for security papers, which includes bank notes, passport paper and other high security papers, continues to show strength and our order book for wallpaper base has recovered to healthy levels.

EBITDA is defined as net income before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock based compensation which the Company considers to be a key performance indicator. EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to earnings or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA, the Company’s use for the term may not be comparable with similarly titled measures used by other companies.

Chad Wasilenkoff, Fortress Paper’s chief executive officer stated: “The first half of 2009, although challenging, certainly displayed the resilience of the Company’s business and ability to continue with strong results despite the global economic crisis. The Company has responded quickly to these challenges by the implementation of several cost cutting initiatives. The Company’s balance sheet remains strong and we continue to evaluate internal growth initiatives and accretive acquisition opportunities.”

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, our unaudited consolidated financial statements as at and for the three and six month periods ended June 30, 2009 and the related notes thereon and our Management's Discussion and Analysis filed on SEDAR.

Three Months Ended June 30, 2009

Selected Financial Information and Statistics

(thousands of dollars, except per unit amounts and shipments, unaudited)	Q2 2009	Q1 2009	Q2 2008
Sales	49,638	46,623	49,138
EBITDA	5,699	5,032	6,184
Operating income	4,460	3,765	5,075
Net income	1,926	3,584	3,401
Basic EPS	\$0.19	\$0.35	\$0.33
Weighted average shares outstanding basic (thousands)	10,235	10,235	10,248
Diluted EPS	\$0.19	\$0.35	\$0.33
Weighted average shares outstanding diluted (thousands)	10,235	10,235	10,423
Shipments (tonnes)			
Landqart mill	4,127	3,721	4,473
Dresden mill	10,054	9,002	9,652
Total	14,181	12,723	14,125

Operational Results

At the Landqart mill the market for security papers continues to show strength; however specialty papers continued to experience challenges through the second quarter as a direct result of the global economic slowdown. The Company has responded quickly to these challenges through the implementation of several cost cutting initiatives.

At the Dresden mill, despite the global crisis, profitability remains strong and the order book has recovered to healthy levels.

Selected Financial Information and Statistics - Six Months Ended June 30

(thousands of dollars, except per unit amounts and shipments, unaudited)	June 30, 2009	June 30, 2008	June 30, 2007
Sales	96,261	98,927	73,692
EBITDA	10,731	12,827	7,160
Operating income	8,225	10,602	5,812
Net income	5,510	7,590	2,794
Shipments (tonnes)	26,904	29,129	26,048

The Company

Fortress Paper is a leading international producer of security and other specialty papers. The Company operates two paper mills, the Landqart Mill located in Switzerland and the Dresden Mill located in Germany. The Company's security papers include banknote, passport and visa papers and its specialty papers include non-woven wallpaper base products, and graphic and technical papers. As an extension of its security papers business, the Landqart Mill has been actively developing and marketing innovative paper-based security products.

Conference Call

A conference call to discuss the financial results for the second quarter 2009 will be held on August 11, 2009 at 9:00 a.m. (PST). To attend the conference call, please dial one of the following numbers:

North America: 1-888-205-4499

International: 403-269-4703

Participant pass code: 63427#

A replay of the conference call will be available for 7 days. To access the replay, listeners may dial 1-877-245-4531 from North America or 403-205-4531 International. The pass code to access the replay is 896654.

Forward-Looking Statements

Some information in this news release contains forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events. The reader is cautioned that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation, those relating to damage to our reputation, competition, maintaining our market position, marketability and price of our products, technology and protection of our intellectual property, dependence on our major customers, fluctuations in the price and supply of raw materials, fluctuations in foreign exchange and other risk factors detailed in our filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. Fortress Paper Ltd. does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements.

For further information please contact:

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