

For Immediate Release



FORTRESS PAPER PROVIDES DRESDEN OPERATIONAL UPDATE

VANCOUVER, British Columbia, May 8, 2012 – Fortress Paper Ltd. ("Fortress Paper" or the "Corporation") (**TSX:FTP**), is pleased to announce that its wholly-owned subsidiary, Dresden Papier GmbH, a leading manufacturer of wallpaper base, has operated 24 hours per day (100% utilization) without stoppage for 20 consecutive days compared to an annual average utilization rate of 93% in 2011. As a result, waste has been reduced to approximately 5% from an annual average waste rate of 9.35% in 2011.

"We are delighted with Dresden's operating consistency and efficiency. We believe that these production milestones will provide a meaningful impact to our financial results in the second quarter", said Chadwick Wasilenkoff, Chairman, Chief Executive Officer and President of Fortress Paper.

About Fortress Paper

Fortress Paper operates internationally in three distinct business segments: dissolving pulp, specialty papers and security paper products. The Company operates its dissolving pulp business at the Fortress Specialty Cellulose Mill located in Canada which is also in the process of expanding into the renewable energy generation sector with the construction of a cogeneration facility. The Company operates its specialty papers business at the Dresden Mill located in Germany, where it is a leading international producer of specialty non-woven wallpaper base products. The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers, and at its Fortress Optical Facility located in Canada, where it manufactures optically variable thin film material.

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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 the operations at our Dresden Mill. 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 Corporation operates, including assumptions relating to the ability of the Dresden Mill to continue operating at 100% utilization and minimizing waste rates. 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, that the Dresden Mill will continue operating a consistent and extended basis and other risk factors listed from time to time in the Corporation'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 and information, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions to or updating any voluntary forward-looking statements, except as required by applicable securities law.