

For Immediate Release



FORTRESS PAPER PROVIDES LANDQART OPERATIONAL UPDATE

VANCOUVER, British Columbia, June 7, 2012 – Fortress Paper Ltd. ("Fortress Paper" or the "Corporation") (**TSX:FTP**), announces that its wholly-owned subsidiary, Landqart AG, a leading manufacturer of banknote and security papers, has had a material banknote order reinstated. This order was unexpectedly suspended in the fourth quarter of 2011 which negatively impacted the financial results of Landqart's operations in the first half of 2012.

Chadwick Wasilenkoff, Chairman, Chief Executive Officer and President of Fortress Paper, commented "The recommencement of this previously delayed order will provide Landqart with momentum to realize additional orders and maximize operating efficiencies. This important order allows Landqart to better optimize the overall mill and should provide a meaningful contribution to its margins compared to recent quarters."

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 Landqart 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 Landqart Mill to produce and deliver on the order. 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 Landqart 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.