

For Immediate Release



FORTRESS PAPER ANNOUNCES APPROVAL OF INITIAL FINANCING FACILITY FOR PM1 REBUILD

VANCOUVER, British Columbia, February 3, 2010 – Fortress Paper Ltd. www.fortresspaper.com ("Fortress Paper" or the "Corporation") announces the signing by its wholly-owned subsidiary Dresden Papier GmbH ("Dresden") of a factoring agreement of Dresden's accounts receivables with GE Capital Bank AG ("GE") in connection with the rebuild of PM1 into a banknote machine. The factoring facility is for up to EUR 12 Million (CDN \$17.8M) commencing February 2, 2010 and extends over a three year period. The base rate for financing is 3 month Euribor (0.665% on Feb 2) + 2.25%.

The Dresden factoring facility and cash on hand, as well as proceeds from a factoring agreement to be entered into by Landqart AG and a new Dresden loan facility should provide the necessary financing and cash flow for the planned rebuild of PM1 to increase its production capacity from the current 2,500 tonnes per annum to approximately 10,000 tonnes per annum. Fortress Paper has signed a letter of intent which outlines the major terms for the Dresden loan facility and Landqart factoring facility and is currently in the process of negotiating the definitive agreements.

PM1 is currently utilized for lower margin specialty papers and low to medium security papers. The rebuild is expected to be completed by the end of 2010, with banknote production from this rebuilt machine scheduled to begin in the first quarter of 2011. Initial orders relating to proposed capital expenditures have been planned and initiated, subject to final confirmation.

About Fortress Paper

Fortress Paper is a leading international producer of security and other specialty papers. Fortress Paper operates two paper mills, the Landqart Mill located in Switzerland and the Dresden Mill located in Germany. 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. As an extension of its security papers business, the Landqart Mill has been actively developing and marketing innovative paper-based security products.

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