

For Immediate Release



TSX: FTP

FORTRESS PAPER ANNOUNCES RECORD FOURTH QUARTER 2009 RESULTS

Vancouver, British Columbia, February 15, 2010 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported net income of \$3.7 million for the fourth quarter of 2009 on sales of \$51.0 million or diluted earnings per share of \$0.35. For the fourth quarter of 2008 the Company reported net income of \$2.8 million on sales of \$46.3 million or basic and diluted earnings per share of \$0.27. In the third quarter of 2009 the Company reported net income of \$3.5 million on sales of \$51.0 million or basic and diluted earnings per share of \$0.34.

Adjusted net income for the fourth quarter of 2009 was \$0.47 per share. Adjusted net income for the previous year comparative period and prior quarter was \$0.28 per share and \$0.38 per share, respectively.

EBITDA was \$7.9 million or 15.4% of sales for the three months ended December 31, 2009. For the three months ended December 31, 2008 EBITDA was \$6.0 million or 13.2% of sales. EBITDA for the third quarter of 2009 was \$7.0 million or 13.7% of sales.

In the fourth quarter of 2009 both mills experienced strong sales and earnings throughout the quarter. The increase in EBITDA relative to the prior year comparative period was partially due to the global financial and economic crisis which impacted sales late in 2008.

For the year ended December 31, 2009, Fortress Paper recorded net income of \$12.7 million or \$1.23 per share (diluted) on sales of \$198.3 million. For the year ended December 31, 2008, the Company recorded net income of \$12.7 million or \$1.24 per share (diluted) on sales of \$189.0 million.

Adjusted net income for the year ended December 31, 2009 was \$13.8 million or \$1.34 per share (diluted). Adjusted net income for the previous year comparative period was \$13.3 million or \$1.30 per share (diluted).

EBITDA was \$25.6 million for the year ended December 31, 2009 compared to \$25.0 million for the year ended December 31, 2008.

EBITDA relative to the prior year was slightly improved. Due to the global financial and economic crisis Fortress experienced a slow start to the year; however, this was more than compensated by a very strong second half. Order logs for both mills continue to show strength.

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.

Combining strong results from both mills this quarter has resulted in consecutive record quarterly EBITDA for Fortress. As the year has progressed our mills have weathered the economic crisis and produced continually better results as the year progressed. Maintaining a strong balance sheet at a time the company is evaluating internal growth initiatives and accretive acquisition opportunities puts Fortress in an advantageous position.

The Dresden mill in particular has shown resilience through the economic crisis and progressively turned out improved results quarter over quarter. The Landqart mill has also performed well in the second half of the year coinciding with higher margin banknote paper production.

The market for security papers continues to show strength and the order book for wallpaper base has grown to its current level of eight weeks.

As news released October 14, 2009, Durasafe® banknote paper was officially launched at the Washington Banknote Conference held in December 2009. Currently several national banks are working on trials with Durasafe® banknote paper. Estimating the time to commercialization with prospective customers such as printers and national banks is dependent on a number of variables that are not within the Company's control. Some variables consist of the integration of other new and innovative security features and the timing of a new banknote series launch.

Durasafe® is an innovative banknote substrate, which consists of two 100% cotton paper layers, which contain all the security features common to traditional banknote paper but with a polymer core. This three layer substrate dramatically increases the durability and design options as compared to conventional paper banknotes. Durasafe® adds the unique ability to implement security features consisting of semi and fully transparent windows of different shapes, sizes and positions.

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, our audited consolidated financial statements as at and for the year ended December 31, 2009 and the related notes thereon and our Management's Discussion and Analysis filed on SEDAR.

Three Months Ended December 31

Selected Financial Information and Statistics

(thousands of dollars, except per unit amounts and shipments, unaudited)

	Q4 2009	Q3 2009	Q4 2008
Sales	51,049	51,000	46,331
EBITDA	7,885	6,967	5,966
Operating income	6,292	5,198	4,399
Net income	3,720	3,467	2,778
Basic EPS	\$0.36	\$0.34	\$0.27
Weighted average shares outstanding basic (thousands)	10,234	10,234	10,235
Diluted EPS	\$0.35	\$0.34	\$0.27
Weighted average shares outstanding diluted (thousands)	10,487	10,296	10,235
Shipments (tonnes)			
Landqart mill	3,673	4,145	4,338

Dresden mill	11,618	10,159	6,911
Total	15,291	14,304	11,249

Operational Results

At the Landqart mill the market for security papers continues to show strength and results were particularly influenced by higher margin banknote paper sales in the second half of the year. When compared to the prior year, current year results reflect weakness in the specialty papers which has been more than offset by strength in the security segment.

Landqart produces various security and specialty papers. Security paper production includes banknote paper which result in varying degrees of EBITDA margin depending on the complexity of the features included. During 2008 Landqart also started producing non-woven wallpaper base. Included in Landqart's sales number for the year ended December 31, 2009 is approximately 2,478 tonnes of non-woven wallpaper base. In December 31, 2008 approximately 732 tonnes of non-woven wallpaper base was sold.

At the Dresden mill, the wallpaper base market experienced strengthening orders throughout the year. Although sales tonnage has increased relative to the prior year, profitability is slightly lower at the Dresden mill due to product mix diversification. However, improved efficiencies on the paper-machine at the Dresden mill has provided us with strong margins despite the economic slowdown

Selected Financial Information and Statistics - Year Ended December 31

(thousands of dollars, except for shipments, unaudited)	December 31, 2009	December 31, 2008	December 31, 2007
Sales	198,310	189,002	145,294
EBITDA	25,583	25,027	13,611
Operating income	19,715	19,994	10,598
Net income	12,697	12,680	5,284
Shipments (tonnes)	56,499	53,221	52,093

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 fourth quarter 2009 will be held on February 16, 2010 at 7:30 a.m. (PST). To attend the conference call, please dial one of the following numbers:

North America: 1-877-353-9586

International: 1-403-532-8075

Participant pass code: 90198#

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 240439#.

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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