



TSX: FTP

FORTRESS PAPER ANNOUNCES SIGNING OF EUR 18.5 MILLION LOAN FOR PM1 REBUILD

VANCOUVER, British Columbia, February 18, 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 loan agreement for EUR 18.5 million (CDN \$26.5M) with GE Capital Bank AG in connection with the rebuild of Landqart AG's ("Landqart") papermachine no. 1 ("PM1") to produce banknote papers. The loan agreement is for a 7 year term, fixed for the first 3 years at 7.09% per annum beginning after final drawdown which is anticipated to be early 2011. During the drawdown period, interest only payments will be required at 6.20% per annum.

The Dresden loan in conjunction with the previously announced Dresden factoring agreement for up to EUR 12 million, the Landqart factoring agreement to be finalized together with cash on hand will provide the necessary financing and cashflow for the rebuild of the PM1 machine. The rebuild increases Fortress' banknote production capacity from the current 2,500 tonnes per annum to approximately 10,000 tonnes per annum.

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 papers production from this rebuilt machine scheduled to begin in the first quarter of 2011.

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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uncertainties including, without limitation, those relating to changes in the market, potential downturns in economic conditions, foreign exchange fluctuations, regulatory requirements, competition, risks associated with the rebuild of PM1, the terms and conditions relating to the financing of the PM1 rebuild, 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. Fortress Paper Ltd. does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements.

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