



TSX: FTP

**FORTRESS PAPER REDEEMS \$7,500,000 CONVERTIBLE NOTE**

**Vancouver, British Columbia, May 22, 2008** – Fortress Paper Ltd. ("Fortress Paper" or the "Company") announced today that it has redeemed in full the \$7,500,000 floating rate convertible note issued on August 1, 2006, as amended (the "Note"), held by Mercer International Inc. ("Mercer"). In accordance with the early redemption terms of the Note, the Company paid \$8,176,674, representing the full principal amount of the Note together with interest accrued up to August 1, 2009, and 105,000 common shares of the Company. The Note was amended by the Company and Mercer to allow for redemption prior to August 1, 2009. With the redemption of the Note, the Company has retired all of its debt owed to Mercer.

"Fortress Paper's positive cash position and recent movements in the share price make redemption of the Note the most effective use of Company funds," said Chadwick Wasilenkoff, President, Chief Executive Officer and Chairman of Fortress Paper. "The redemption of the Note is another important milestone for Fortress Paper."

**About Fortress Paper Ltd.**

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.

**Forward-Looking Statements**

Some information in this news release contains certain 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 obligations to release publicly any revisions for updating any voluntary forward-looking statements.

For further information, please contact:

Chadwick Wasilenkoff  
Fortress Paper Ltd.  
604-904-2328  
info@fortresspaper.com

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