

For Immediate Release



FORTRESS PAPER COMPLETES \$40 MILLION INITIAL PUBLIC OFFERING

VANCOUVER, June 28, 2007 – Fortress Paper Ltd. ("Fortress" or the "Corporation") announced today the successful completion of its initial public offering (the "Offering") of 5,000,000 common shares at an offering price of \$8.00 per share for total proceeds of \$40 million. The shares commenced trading today on the Toronto Stock Exchange ("TSX") under the symbol "FTP". The underwriting syndicate consisted of RBC Dominion Securities Inc. and TD Securities Inc., as co-lead underwriters, and Raymond James Ltd. (collectively, the "Underwriters"). The Corporation has granted to the Underwriters an over-allotment option to cover over-allotments, if any, and for market stabilization purposes, for a period of 30 days following the date of closing. Proceeds of the Offering will be used to finance capital growth projects at both of the Corporation's mills located in Germany and Switzerland, repay certain indebtedness and for general corporate purposes. The final prospectus for Fortress is available on SEDAR at www.sedar.com.

The Corporation is headquartered in Vancouver, British Columbia, Canada.

About Fortress Paper Ltd.

Fortress is a leading international producer of security and other specialty papers. Fortress operates two paper mills, the Landqart Mill located in Switzerland and the Dresden Mill located in Germany. Fortress' 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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This news release contains certain forward-looking statements that reflect the current views and/or expectations of Fortress Paper Ltd. with respect to its performance, business and future events. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, those relating to changes in the market, potential downturns in economic conditions, foreign exchange fluctuations, regulatory requirements, competition 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.

Neither the TSX nor any other regulatory body has reviewed and therefore does not accept responsibility for the adequacy or accuracy of this release.

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