

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company:

FORTRESS PAPER LTD.
2nd Floor, 157 Chadwick Court
North Vancouver, B.C., V7M 3K2

2. Date of Material Change:

The material change described in this report occurred on October 14, 2009.

3. News Release:

On October 14, 2009, Fortress Paper Ltd. (the "Corporation") issued a news release through the facilities of Marketwire. A copy of the news release announcing the material change is set out at Schedule "A" to this report.

4. Summary of Material Change:

The Corporation announced the long-term employment extension of Dr. Alfonso Ciotola, President of the Corporation. The Corporation also announced corporate updates including the upcoming launch of Durasafe[®] banknote paper and the completion of the second stage of capital improvements at the Dresden mill that has resulted in increases to the theoretical production capacity of non-woven wallpaper base.

5. Full Description of Material Change:

See attached news release at Schedule "A" to this report.

6. Reliance on Confidential Filing Provisions:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

The following executive officer of the Corporation is knowledgeable about the material change and this report:

Kurt Loewen
Chief Financial Officer
Telephone: (604) 904-2328

9. Date of Report:

October 19, 2009.

SCHEDULE "A"

For Immediate Release



TSX: FTP

FORTRESS PAPER CORPORATE UPDATE

Corporate Update includes Management, Company and New Product Information

VANCOUVER, British Columbia, October 14, 2009 – Fortress Paper Ltd., www.fortresspaper.com, ("Fortress Paper" or the "Corporation") today issues a corporate update that includes management, company and new product information.

Fortress Paper announces the long-term employment extension of Dr. Alfonso Ciotola, President of Fortress Paper and Chief Executive Officer of the Landqart and Dresden mills. The term of employment was extended from December 2010 to September 2014 and the base salary was set at the same existing level and continues to be indexed to inflation.

Chad Wasilenkoff, Chairman and Chief Executive Officer of Fortress Paper, commented, "We are very excited that Dr. Ciotola has agreed to be a part of our growth plans over the next five years. Dr. Ciotola's commitment to Fortress Paper ensures a stable and cohesive management team which is an essential element to enable us to achieve our strategic expansion plans."

OPERATIONAL UPDATE

Landqart

- The official launch of the Corporation's Durasafe® banknote paper will occur at the Banknote 2009 Conference to be held on December 6 – 9 in Washington D.C. 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. This product is anticipated to be commercially available in 2010.

"We believe Durasafe® represents a significant improvement in banknote technology and security without compromising the appearance and texture of traditional banknote paper," stated Chad Wasilenkoff, Chairman and Chief Executive Officer of Fortress Paper.

- The Landqart mill has now supplied banknote paper for the Euro currency for four additional countries increasing its total to 10 countries within the European Union. In addition to being the sole provider of banknote paper for the Swiss currency, the Landqart mill is also one of only nine authorized suppliers of banknote paper for the Euro currency. The Landqart mill has produced banknote paper for over 100 currency denominations and has an established reputation for producing banknote paper of the highest security and quality.

Dresden

- The Dresden mill has successfully completed the second stage of capital improvements to enhance the quality and efficiency of its production of non-woven wallpaper base. This most recent upgrade has increased our theoretical capacity by approximately 20% to 45,000 tonnes per

annum depending on the product mix of non-woven. The Dresden mill is the world's leading supplier of non-woven wallpaper base, producing approximately 50% of the world's supply. The order book at the Dresden mill is experiencing its highest level of demand since the economic down turn.

"We are encouraged by the results at our Dresden mill and we expect to utilize the increased capacity to meet current and forecasted demand and strengthen our position in the global non-woven wallpaper market. We believe the efficiency enhancements at our Dresden mill will enable us to meet some of the challenges resulting from current economic conditions", commented Dr. Alfonso Ciotola, President of Fortress Paper.

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.

For more information, please contact:

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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.

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