

FRASER PAPERS COMPLETES MODERNIZATION PROJECT ANNOUNCES RESTART AT PLASTER ROCK LUMBERMILL

Plaster Rock, NB (November 6, 2009) – Fraser Papers Inc. (“Fraser Papers” or the “Company”) announced today that its lumbermill in Plaster Rock, New Brunswick is scheduled to restart operations on November 16, 2009. Approximately 175 employees have been recalled to work.

The Plaster Rock lumbermill recently completed a CAD\$17.6 million modernization that included the installation of a new biomass fueled boiler, a new lumber drying kiln and upgraded saw line equipment. The project, completed under budget, will eliminate the mill’s dependence on oil and lower its conversion costs by approximately 20%. It was financed through a commercial loan made by the Business and Financial Support Group of Business New Brunswick, which has a mandate to fund initiatives that improve energy efficiency and productivity at existing business operations in New Brunswick.

Fraser Papers has informed its suppliers that it will start receiving saw logs on November 9, 2009 at pre-defined price levels to support the re-start of the mill. While the lumbermill will restart on November 16, the planer mill will restart approximately three weeks later. Lumber shipments to customers are expected to commence in early December.

“A lot of dedicated people, including our employees, our contractors and our suppliers, have been involved with this project and we are grateful for their contributions,” commented Peter Gordon, Chief Executive Officer of Fraser Papers. “We are particularly appreciative of Premier Shawn Graham’s involvement in our project at the very early stages, our shared vision for the mill and community of Plaster Rock, and the commercial financing provided by Business New Brunswick that has made it a reality.”

“In addition, the recent announcement of the government’s proposed partnership with Hydro-Québec to deliver lower electricity rates would reduce our manufacturing costs,” Gordon added. “We support this initiative as lower power rates for businesses would provide critical assistance to New Brunswick’s forestry industry and Fraser in particular. The proposed agreement would increase the competitiveness of New Brunswick companies and assist their efforts in creating and maintaining jobs.”

Fraser Papers estimates that the proposed lower electricity rates would have a direct benefit to its pulp and energy complex in Edmundston, New Brunswick and its Plaster Rock lumbermill in excess of CAD\$8 million per year.

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Fraser Papers is an integrated specialty paper company that produces a broad range of specialty packaging and printing papers. The Company has operations in New Brunswick, Maine, New Hampshire and Québec. For more information, visit the Fraser Papers web site at www.fraserpapers.com.

Contacts:

Peter Gordon
Chief Executive Officer
(416) 359-8614
pgordon@toronto.fraserpapers.com

Paul McKinley
General Manager, Lumber Operations
(506) 356-4129
mckinleyp@pr.fraserpapers.com

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Note: This press release contains forward-looking information and forward-looking statements within the meaning of Canadian provincial securities laws. These forward-looking statements include, among others, statements with respect to the restart of the Plaster Rock, New Brunswick lumbermill and the estimated benefit of lower electricity rates resulting from the government of New Brunswick’s partnership with Hydro-Québec. The words “will”, “expect”, “would”, “estimate”, variations of those words, similar words and other expressions which may be predictions of or indicate future events and trends and which do not relate to historical matters identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include: general economic conditions; unforeseen production issues; cost and availability of raw materials, including biomass and wood fibre; demand for and pricing of the Company’s products; the value of the Canadian dollar relative to the United States dollar; and other risks detailed from time to time in the documents filed by the Company with the securities regulators in Canada. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.