

## FRASER PAPERS OBTAINS COURT APPROVAL FOR SALE OF SPECIALTY PAPERS BUSINESS Transaction Expected to Close Before the End of April

(All financial references are in U.S. dollars unless otherwise noted)

**Toronto, ON (April 7, 2010)** – Fraser Papers Inc. (together with its subsidiaries, “Fraser Papers” or the “Company”) announced today that it obtained final approval on April 6 from the Ontario Superior Court of Justice (Commercial List) to complete the sale of its specialty papers business to Twin Rivers Paper Company Inc. (“Twin Rivers”) (the “Transaction”). At a hearing this afternoon in the United States Bankruptcy Court for the District of Delaware, the court approved recognition of the Canadian Court Order and the sale of the U.S. assets.

Under the terms of the Transaction, the creditors of Fraser Papers will receive promissory notes and a 49% common equity interest in the purchaser, Twin Rivers. Brookfield Asset Management Inc., a secured creditor, has agreed to convert its secured claim against the Company into a 51% common equity interest in Twin Rivers and the Government of New Brunswick has agreed to convert its \$35 million secured loan and accrued interest into preferred shares of Twin Rivers.

The Company and Twin Rivers expect to close the Transaction within the next few weeks.

The Company also announced today that the Court has granted a further extension of the initial Order under which Fraser Papers was granted creditor protection under the *Companies’ Creditors Arrangement Act* (“CCAA”). This extension is through July 9, 2010 and was supported by PricewaterhouseCoopers Inc., the Court appointed Monitor of the Company’s CCAA process.

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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](http://www.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 sale of the Company’s specialty papers business, including the anticipated closing date and certain terms of the sale. The words “seek”, “will”, “expect”, variations of those words and other words and 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 of the sale of the specialty papers business to differ materially from those set forth in the forward-looking statements include unforeseen administrative, legal, or transactional issues and other risks detailed from time to time in the documents filed by the Company with the securities regulators in Canada. In addition, the Company and its subsidiaries are currently operating under creditor protection laws in Canada and the United States. Many of the Company’s plans are subject to the review of commercial courts in Canada and the United States. The Company cannot anticipate when such plans will be the subject of consideration by the commercial courts or, if they are, what impact that consideration will have on the plans or intentions of the Company. 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.*