

FRASER PAPERS ANNOUNCES RESTART OF EDMUNDSTON PULP MILL

Labour union ratifies collective agreement

Toronto, ON (August 11, 2009) – Fraser Papers Inc. (“Fraser Papers” or the “Company”) announced today that Communications, Energy and Paperworkers Union Local 29 in Edmundston, New Brunswick has ratified an agreement that will see the Edmundston pulp and energy complex return to full operation over the next few weeks. Members of Local 29 voted tonight to approve the collective agreement presented by the Company. The three-year agreement provides for a more competitive labour cost structure with future wage increases tied directly to the profitability of the Company’s East Papers Operations.

“We are pleased that we could reach an agreement that better positions the mill to be competitive in these difficult market circumstances and into the future,” said Peter Gordon, Chief Executive Officer of Fraser Papers. “I would like to thank all involved for their hard work during these sometimes difficult negotiations including mill management, our hourly employees, local politicians and particularly Premier Shawn Graham for providing the leadership, focus and a path forward to the community and employees at a most critical time.”

The company will commence restart activities today and expects to restart the mill during the week of August 30, 2009. The Company is actively working with suppliers to secure fibre and other raw materials to ensure a smooth restart.

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Fraser Papers is an integrated specialty paper company which produces a broad range of specialty packaging and printing papers. The Company has operations in New Brunswick, Maine, New Hampshire and Quebec. For more information, visit the Fraser Papers web site at 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 future wage increases, the competitive position of the Edmundston mill, and the timing of the mill restarting. The words, “expect”, “will”, “future” 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 of future wage increases, the competitive position of the Edmundston mill, and the timing of the mill restarting to differ materially from those set forth in the forward-looking statements include general economic conditions, demand for the Company’s products, production issues, cost or availability of fibre, energy and chemicals, 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.