Fibrek

News Release

For Immediate Release

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FIBREK FIGHTS FOR THE RIGHT OF ITS SHAREHOLDERS TO ACCEPT A SUPERIOR OFFER: COMPANY TO VIGOROUSLY OPPOSE ABITIBI'S APPLICATION TO CEASE TRADE THE $1.30 MERCER OFFER

MONTREAL, February 16, 2012 — Fibrek Inc. ("Fibrek" or the "Corporation") announced today that a hearing before the *Bureau de décision et de révision* (Québec) (the "BDR"), the administrative tribunal with statutory jurisdiction in securities law and regulatory matters in the Province of Québec, will be held on February 17 and 20, 2012 to consider the application filed by AbitibiBowater Inc. (doing business as Resolute Forest Products) ("Abitibi") for an order to cease trade the superior offer proposed by Mercer International Inc. ("Mercer") to acquire all of the issued and outstanding common shares of Fibrek (the "Mercer Offer") and the private placement of 32,320,000 special warrants to Mercer for gross proceeds of $32,320,000.

"Despite the results of an independent formal valuation that puts the value of Fibrek shares between $1.25 and $1.45 per share, and in the face of a significantly superior offer at $1.30 per share from Mercer, both Abitibi and Fairfax continue their tactics to allow Abitibi to acquire Fibrek at $1.00 per share," said Hubert T. Lacroix, Chairman of the Board of Directors of Fibrek.

"We would also like to remind shareholders that Fairfax and Steelhead are not only shareholders of Fibrek, but also important shareholders of Abitibi. The Mercer offer is fair and respects the rights and interests of all our shareholders and we will vigorously oppose Abitibi's application to block it," continued Mr. Lacroix.

President and Chief Executive Officer Pierre-Gabriel Côté added: "Our shareholders have been presented with two offers, Abitibi's offer at $1.00 and Mercer's offer at $1.30. Abitibi's application to cease trade the superior Mercer offer is a blatant attempt to abuse the regulatory process to prevent our shareholders from receiving superior value. In addition to providing additional liquidity to Fibrek, the warrants have been designed to level the playing field against abusive lock-up arrangements that favour the lower Abitibi insider bid. They have also been designed to ensure that they do not stand in the way of an offer which would be superior to Mercer's. If Abitibi wants the warrants to go away, all they have to do is make a superior offer to the Mercer offer."

"Our board has worked diligently to maximize value for all our shareholders and will continue to take action not to let Abitibi, Fairfax, Oakmont, Pabrai and Steelhead, whose interests appear to be very different from our other shareholders, take advantage of our other shareholders and deprive them of a fair offer," concluded Mr. Lacroix.

Background to Recent Events

On February 6, 2012, Fibrek announced the results of Canaccord Genuity Corporation's formal valuation of Fibrek's common shares ("Valuation") that complies with the requirements of Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions ("MI 61-101"). Based upon and subject to the analyses and assumptions set out in its Valuation, Canaccord Genuity provided its opinion that, as at February 3, 2012, the fair market value of a common share of Fibrek was in the range of $1.25 to $1.45.

On February 10, 2012, Fibrek announced that it entered into a support agreement (the "Support Agreement") with Mercer pursuant to which Mercer will offer to acquire all of the outstanding shares of Fibrek by way of a take-over bid at a price of $1.30 per share.

In addition, Fibrek announced that Mercer agreed to purchase special warrants (the "Warrants") on a private placement basis at a price of $1.00 per Warrant for total subscription proceeds of approximately $32.3 million. The Warrants are convertible into common shares of Fibrek on a one-for-one basis under certain circumstances and are redeemable in certain events. More particularly, if Fibrek accepts a Superior Proposal (as defined in the Support Agreement) to the Mercer Offer, it has the right to terminate the Support Agreement, pay the termination fee thereunder and redeem the Warrants such that no common shares are issued.

In response to the Mercer Offer, Abitibi has filed an application before the BDR to cease trade the Mercer Offer and the Warrants. Additionally, three shareholders, including Fairfax Financial Holdings Limited (the "Locked-Up Shareholders"), who have entered into lock-up agreements with Abitibi and Steelhead Partners, LLC, who is, like Fairfax, a significant shareholder of Abitibi, have also, through counsel, sought to stop the issuance of the Warrants before the Toronto Stock Exchange (the "TSX").

Fibrek is preparing its submissions to the BDR and the TSX and intends to vigorously oppose Abitibi's and the Locked-Up Shareholders' applications.

Use of Special Warrants Proceeds

The proceeds from the private placement of Warrants are initially to be used by Fibrek to reduce its net debt. In addition, liquidity will be required to pay for the recent incremental costs associated with its strategic alternatives review process and for capital expenditures, which include Fibrek's power generation initiatives. Such capital expenditures are currently estimated by management to be at $30 million for fiscal 2012 including maintenance capital expenditures. Management also believes that lower than anticipated sales for the fourth quarter of fiscal 2011 resulted in an increased need for liquidity in the short term.

Important Shareholder Information

The Board of Directors continues to unanimously recommend that shareholders **ACCEPT** and **TENDER** their common shares to Mercer's $1.30 offer and to **REJECT** and **NOT TENDER** their common shares to Abitibi's unsolicited $1.00 insider bid. If shareholders have tendered their shares to the Abitibi insider bid, the Board recommends that they **WITHDRAW** them immediately.

The Support Agreement and the Special Warrant Agreement have been filed and are available at www.sedar.com under the company's profile. Full details of the Mercer Offer will be included in the take-over bid circular which is expected to be mailed to holders of common shares of Fibrek by February 29, 2012.

For more information on how to tender Fibrek Common Shares or for any other inquiries regarding the Mercer Offer, please contact Fibrek's information agent, Phoenix Advisory Partners, at 1-800-398-1129 (North American Toll Free) or via email at inquiries@phoenixadvisorypartners.com.

About Fibrek

Fibrek (TSX: FBK) is a leading producer and marketer of high-quality virgin and recycled kraft pulp. The company operates three mills located in Saint-Félicien, Québec, Fairmont, West Virginia, and in Menominee, Michigan with a combined annual production capacity of 760,000 tonnes. Fibrek has approximately 500 employees. The Saint-Félicien mill provides northern bleached softwood kraft pulp *(product known as NBSK pulp) to various sectors of the paper industry mainly in Canada, the United States and Europe, for use in the production of specialized products. The Fairmont and Menominee mills manufacture air-dried recycled bleached kraft pulp (product known as RBK pulp) and primarily supply manufacturers of fine uncoated paper, tissue paper for commercial and industrial uses, and coated paper in the United States.*

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable securities laws. These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical facts and include statements concerning Fibrek's future outlook, business strategy, plans, expectations, results or actions, or the assumptions underlying any of the foregoing. Forward-looking statements can generally be identified by words such as "may", "should", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", "outlook" and similar expressions. These statements are based on information currently available to Fibrek's management and on the current assumptions, intentions, plans, expectations and estimates of Management regarding Fibrek's future growth, results of operations, performance, business prospects and opportunities and ability to attract and retain customers as well as the economic environment in which it operates. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors which could cause actual results of Fibrek to differ materially from the conclusion, forecast or projection stated in such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: actions taken by Abitibi or Mercer, actions taken by shareholders of Fibrek in respect of Abitibi's unsolicited offer and the Mercer Offer, the possible effect of Abitibi's unsolicited offer and the Mercer Offer on Fibrek's business, the award of a power purchase agreement to Fibrek under the new Québec Government cogeneration program, general economic conditions, pulp prices and sales volume, exchange rate fluctuations, cost and supply of wood fibre, wastepaper and other raw materials, pension contributions, competitive markets, dependence upon key customers, increased production capacity, equipment failure, disruptions of production, capital requirements and other factors referenced in Fibrek's continuous disclosure filings which are available on SEDAR at www.sedar.com. Readers should not place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this press release and, except as required by applicable securities laws, Fibrek assumes no obligation to update or revise them to reflect new events or circumstances.

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