



News Release

For immediate release

TSX : FBK

www.fibrek.com

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FIBREK FILES FINAL RIGHTS OFFERING PROSPECTUS

Longueuil, Québec, June 8, 2010 - Fibrek Inc. (TSX: FBK) ("Fibrek") is pleased to announce that it has received today a receipt dated June 8, 2010 for a final short form prospectus (the "**Prospectus**") filed with the securities commissions in each of the provinces and territories of Canada, relating to its previously announced rights offering (the "**Offering**") for gross proceeds of approximately \$40,000,000.

Under the terms of the Offering, shareholders of Fibrek resident in Canada and eligible shareholders in other jurisdictions (collectively, the "**Eligible Holders**") as of the close of business on the record date of June 18, 2010 (the "**Record Date**") will be entitled to receive one right ("**Right**") for each common share of Fibrek ("**Common Share**") held. The Rights will entitle Eligible Holders to subscribe for and purchase from Fibrek an aggregate of up to 39,602,848 Common Shares. Every 2.2845 Rights will entitle the holder to subscribe for one Common Share at the subscription price of \$1.01 on or before 4:00 p.m. (Montreal time) on July 15, 2010 (the "**Expiration Date**"). Shareholders who fully exercise Rights will be entitled to subscribe, on a *pro rata* basis, for additional Common Shares, if available, that are not otherwise subscribed for on or before the Expiration Date.

As previously disclosed on May 12, 2010, in connection with the Offering, Fibrek's largest shareholder, Fairfax Financial Holdings Limited ("**Fairfax**") has agreed, pursuant to a standby purchase agreement, to purchase all of the Common Shares not otherwise purchased pursuant to the exercise of Rights under the Offering at the Expiration Date. In consideration for entering into the standby purchase agreement, Fairfax received a fee of \$400,000 representing approximately 1% of the total gross proceeds of the Offering. The standby purchase agreement is available on SEDAR at www.sedar.com.

Also in connection with the Offering, the Corporation has entered into a dealer manager agreement with TD Securities Inc. (the "**Dealer Manager**") pursuant to which the Dealer Manager will act as dealer manager to use commercially reasonable efforts to solicit the exercise of Rights for subscription of the Common Shares.

A copy of the Prospectus will be mailed to Eligible Holders following the Record Date. Shareholders who hold their Common Shares in a brokerage account or with a nominee should contact such broker or nominee in order to exercise their Rights. More detailed information is contained in the Prospectus available on SEDAR at www.sedar.com.

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Rights and the Common Shares issuable upon the exercise of the Rights on the TSX. The approval of such listing is subject to Fibrek fulfilling all of the listing requirements of the TSX. Trading of the Rights to purchase Common Shares will cease at noon (Montreal time) on the Expiration Date.

As previously disclosed on May 12, 2010, the Offering is part of a series of transactions to refinance Fibrek's existing revolving credit facility maturing on October 30, 2010 and existing term loan facility maturing on October 30, 2012 in the aggregate principal amount of approximately \$143 million as at March 31, 2010 (the "**Debt Repayment**"). The Debt Repayment will be funded by (i) the entering into of a term loan with a subsidiary of Société générale de financement du Québec for an amount in Canadian dollars equivalent to US\$75 million (the "**SGF Loan**"), (ii) the net proceeds of the Offering; and (iii) the entering into of an asset-based secured revolving credit facility with GE Canada Finance Holding Company, as lender and agent, which provides

for maximum available borrowings of up to \$75 million (together with the SGF Loan and the Offering, the "Refinancing Transactions"). Each of the components of the Refinancing Transactions referred to above is conditional upon the closing of all other components of the Refinancing Transactions.

TD Securities Inc. is acting as financial advisor to Fibrek in connection with the Refinancing Transactions.

Cautionary Statement

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, in the United States the securities referenced herein. Such securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may not be offered or sold in the United States absent registration or an exemption from the registration requirement under the U.S. Securities Act and applicable state securities laws.

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 745,000 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 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, household paper for commercial and industrial uses, and coated paper in the United States.

Forward-Looking Statements

Certain statements in this press release, including but not limited to, the anticipated benefits of the Refinancing Transactions and the ability to pursue business objectives and other statements that are not historical facts, are "forward-looking statements" which reflect the intentions, plans, expectations and beliefs of Fibrek's management ("Management") regarding the Fibrek's future growth, results of operations, performance and business prospects and opportunities. In certain instances, these statements require Management to make assumptions and there is significant risk that these assumptions may not be correct. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to Fibrek or Management, often identify forward-looking statements. Such forward-looking statements reflect Management's current beliefs and are based on information currently available to Management. Forward-looking statements involve known and unknown risks, uncertainties and other factors outside Management's control. A number of factors could cause actual results of Fibrek to differ materially from the results discussed in the forward-looking statements, including, but not limited to: risks associated with pulp prices and sales volume, exchange rate fluctuations, wood fibre and wastepaper supply and costs at the Saint-Félicien mill, the Fairmont mill and the Menominee mill (collectively, the "Mills"), cost and supply of raw materials (including chemicals and energy), pension contributions, competition, dependence upon key customers, increased production capacity in the market, equipment failure, disruptions of production, capital requirements, labour relations, transportation disruptions, insurance matters, environment, health and safety requirements, loan defaults, credit facilities and interest rates, availability of capital to meet obligations, acquisitions and failure to integrate businesses, and other factors referenced under "Risk Factors" in SFK Pulp Fund's MD&A for the year ended December 31, 2009 and in the Fund's and Fibrek's continuous disclosure filings. Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, Management cannot assure investors that actual results will be consistent with these forward-looking statements. Certain assumptions underlying the forward-looking statements contained in this press release and in Fibrek's and SFK Pulp Fund's continuous disclosure filings include assumptions to the effect that wood fibre deliveries to Fibrek will continue as contemplated in Fibrek's fibre supply agreements, future cash flows will be sufficient to cover operating needs contemplated, capital expenditures and contractual obligations, no extraordinary event will require increased capital expenditures, wood fibre and wastepaper deliveries to Fibrek will be sufficient to fulfill the requirements, wood fibre and wastepaper costs will not increase materially, pulp prices and exchange rates will not significantly deteriorate, pulp demand will not significantly deteriorate, the trends underlying the increase in demand for RBK pulp will continue, operation costs will not increase materially, interest expenses and production outputs will remain stable. These forward-looking statements are made as of the date hereof, and, except as required pursuant to applicable securities laws, Management assumes no obligation to update or revise them to reflect new events or circumstances. These statements do not reflect the potential impact of any special items or of any business combination or other transaction that may be announced or that may occur after the date hereof. Readers are cautioned not to place undue reliance on these forward-looking statements.

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