

FIBREK ANNOUNCES PARTIAL REDEMPTION OF 7% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

Longueuil, Québec, January 27, 2011 – Fibrek Inc. (TSX: FBK), a leading producer and marketer of high-quality virgin and recycled kraft pulp, today announced that it has exercised its right to partially redeem its 7% convertible unsecured subordinated debentures maturing on December 31, 2011 (the “Debentures”). On February 28, 2011 (the “Redemption Date”), Fibrek will redeem Debentures in an aggregate principal amount of \$25,874,000. On redemption, Fibrek will pay to the holders of redeemed Debentures a redemption price (the “Redemption Price”) equal to the principal amount of the Debentures, plus accrued and unpaid interest up to but excluding the Redemption Date, for a total of \$1,011.12 per \$1,000.00 principal amount of Debentures. The aggregate principal amount of Debentures currently outstanding is \$51,749,000. Fibrek intends to use available funds to pay the Redemption Price of the redeemed Debentures.

“Over the past three quarters, we have begun to reap the benefits of our transformation program and have achieved significant improvements in our earnings and operating cash flow. At this time, we have decided to use our available cash to redeem roughly half of our outstanding Debentures. With this redemption, we expect to save approximately \$1.5 million in interest expense in 2011 and reduce our debt to total capitalization ratio by approximately 3%. It is currently Fibrek’s intention to repurchase the remaining Debentures before their December 31, 2011 maturity, assuming our financial position and prevailing market conditions are appropriate,” stated Patsie Ducharme, Vice President and Chief Financial Officer.

The Debentures to be redeemed shall be selected by the Debenture trustee on a *pro rata* basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of each holder.

About Fibrek

FibreK (TSX: FBK) is a leading producer and marketer of high-quality virgin and recycled kraft pulp. The Company has approximately 500 employees and operates three mills located in Saint-Félicien, Québec, Fairmont, West Virginia, and in Menominee, Michigan with a combined annual production capacity of 758,000 tonnes. 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

This press release contains “forward-looking statements” within the meaning of applicable securities laws. These statements include, but are not limited to, the current intention of repurchasing the remaining Debentures before their December 31, 2011 maturity and other 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 (“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: 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, labour relations and other factors in Fibrek and SFK Pulp Fund'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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