



For Immediate Release

**MERCER INTERNATIONAL INC. ANNOUNCES FAVORABLE EUROPEAN COURT  
DECISION**

NEW YORK, NY, December 10, 2008 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) (the "Company") today announced the favorable ruling by the Court of First Instance of the European Communities (the "Court") affirming the decision of the Commission of the European Communities (the "Commission") to raise no objection against the state aid provided to the Company's Stendal mill by the German federal and state governments. This judgment comes nearly six years after two related board manufacturers filed an appeal with the Court against the Commission's decision.

Mr. Jimmy S.H. Lee, President and Chairman, stated: "We are very pleased with the Court's ruling which recognizes what we have believed from the beginning; that there is no basis for the Commission to reduce the level of state aid received by our Stendal mill. We are hopeful that this decision will mark the end of these proceedings."

Mercer International Inc. is a global pulp manufacturing company. To obtain further information on the Company, please visit its web site at <http://www.mercerint.com>.

*The preceding includes forward looking statements which involve known and unknown risks and uncertainties which may cause our actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: the highly cyclical nature of our business, raw material costs, our level of indebtedness, competition, foreign exchange and interest rate fluctuations, our use of derivatives, expenditures for capital projects, environmental regulation and compliance, disruptions to our production, market conditions and other risk factors listed from time to time in our SEC reports.*

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