



For Immediate Release

MERCER INTERNATIONAL INC. ANNOUNCES COMPLETION OF CDN\$40.0 MILLION CONTRIBUTION AGREEMENT WITH THE GOVERNMENT OF CANADA

NEW YORK, NY, November 30, 2009 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) today announced that its Celgar mill has entered into a Cdn.\$40.0 million contribution agreement ("Contribution Agreement") with the Canadian federal government for funding of the Celgar mill's green energy project (the "Celgar Energy Project"). With the use of funding from the Contribution Agreement, Mercer expects construction of the Celgar Energy Project to resume shortly and to commence electricity generation by the third quarter of 2010.

This non-repayable capital contribution to the Celgar Energy Project will improve the energy efficiency and environmental performance of the mill.

Mr. Jimmy S.H. Lee, President and Chairman, commented that: "We thank the Government of Canada for developing and executing a very well designed program that will create considerable benefits for our company, the environment and the British Columbia communities that rely on the Celgar mill's operation."

Mercer has signed a ten year electricity purchase contract with BC Hydro, British Columbia's primary public utility provider, for the sale of power generated by the Celgar Energy Project.

Approximately Cdn.\$17.7 million of further funding may be available for use by the Celgar mill on other eligible projects until March 31, 2012 and a number of high return projects are currently under consideration to utilize such funding.

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, our level of indebtedness, raw material costs 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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