



For Immediate Release

**MERCER INTERNATIONAL INC. ACHIEVES COMMERCIAL OPERATION STATUS FOR
THE GREEN ENERGY PROJECT AT ITS CELGAR MILL**

NEW YORK, NY, October 14, 2010 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) today announced that it has received confirmation from BC Hydro that all required documentation has been completed and filed pursuant to the terms of the Energy Purchase Agreement (EPA) with the Company's Celgar mill. As a result, the Company's Celgar Green Energy Project has received commercial operating status from BC Hydro, and all power generation after September 27th, 2010 will be recognized at Bioenergy rates.

Pursuant to the terms of the EPA, the Company will supply approximately 238,000 Megawatt hours of electrical energy annually to BC Hydro for 10 years.

The Celgar Green Energy Project included the installation of a 48 MW condensing turbine, bringing Celgar's installed annual generating capacity of "green energy" up to 100 MW. The project has been funded for the most part through the Canadian government's Pulp and Paper Green Transformation Program.

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 continuing effects of the recent economic and financial turmoil, 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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