



For Immediate Release

MERCER INTERNATIONAL INC. ANNOUNCES COMPLETION OF CRITICAL PHASE OF THE GREEN ENERGY PROJECT AT ITS CELGAR MILL

NEW YORK, NY, September 30, 2010 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) today announced completion of an important milestone in the Green Energy Project at its Celgar mill.

The project is currently in the commissioning and optimization phase, and Celgar has completed a 72-hour performance test for its new turbine as required under its power purchase agreement with BC Hydro. The Company has submitted the test results and other required documentation to BC Hydro for approval of commercial operation status, pursuant to the terms of its agreement with them.

Following confirmation from BC Hydro that all necessary documentation has been provided, it is expected that commercial operation status under the EPA will be set retroactive to September 27th, and all power generation from that point will be recognized at Bioenergy rates.

Mr. Jimmy S.H. Lee, President and Chairman, stated: "We are pleased with the significant milestone achieved on this project and I would like to thank all of our employees, contributors and suppliers for a job very well done. I would also like to recognize the important contribution by the Canadian Federal Government through Natural Resources Canada."

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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