



For Immediate Release

**MERCER INTERNATIONAL INC. COMMENTS ON MASS FINANCIAL CORP.**

NEW YORK, NY, January 17, 2008 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) ("Mercer" or the "Company") provided the following response to recent press releases by or on behalf of Mass Financial:

Mercer's board has always maintained an open dialogue with all shareholders. The Company has a strong and independent board, with six of its seven directors being independent. The Company's independent directors are highly experienced and include persons with broad and extensive experience in the capital markets and forest products segment, including as former CEOs of public forest products companies, a former CEO of a leading Canadian investment bank, a fund manager and former accounting professionals. Further, the Company's CEO and independent directors all have meaningful share positions and their interests are aligned with those of other shareholders.

The Company and its board are fully committed to advancing its business and to its strategy of focusing on the production and sale of NBSK market pulp, operating world-class production facilities and constantly focusing on increasing efficiencies and reducing costs to drive value. The Company believes that it has the right strategic plan and that it is well positioned to achieve these goals and deliver superior shareholder value over the medium and long-term. Additionally, the Company's board has and is always prepared to consider *bona fide* value-enhancing proposals.

The Company disagrees with the statements in the Mass press releases, believes many to be inaccurate and that they merely reiterate a December 10, 2007 letter from Mass. The Company's independent directors met and duly considered such letter and replied thereto by letter dated December 18, 2007. Copies of the Company's response letter and the Mass letter are included in the Company's Form 8-K dated December 18, 2007 and available at [www.sec.gov](http://www.sec.gov) and at [www.mercerint.com](http://www.mercerint.com).

**About Mass** Mass is a Barbados company headquartered in China, traded on the "pink sheets" in the United States, not listed for trading on any exchange and not subject to the reporting requirements or securities laws of the United States. Mass was spun off from its parent, KHD Humboldt Wedag International Ltd. ("KHD") (NYSE: KHD) (formerly called MFC Bancorp Ltd.) in 2006. Michael J. Smith is disclosed as the Chairman, CEO and a director of Mass and a director, Chairman and former CEO of KHD.

Mass claims to be the owner of 700,000 shares of the Company's stock. The Company believes that Mass acquired these shares from a KHD affiliate some time in 2007. These shares were issued as restricted stock by the Company to the KHD affiliate in October 2006 to purchase such KHD affiliate's 7% minority interest in the Stendal pulp mill.

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 the Company's 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: market conditions, competition and other risk factors listed from time to time in the Company's SEC reports.*

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