



**M E R C E R**

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>.