

MERCER INTERNATIONAL INC.

Form 424B3

April 10, 2012

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-179809**

This document is important and requires your immediate attention. If you have any questions as to how to deal with the transactions described in this document, you are encouraged to consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor. The Offer has not been approved or disapproved by any securities regulatory authority in Canada or the United States and no securities regulatory authority has expressed an opinion about, or passed upon the fairness or merits of the Offer contained in this document, the securities offered pursuant to the Offer or the adequacy of the information contained in this document. Any representation to the contrary is unlawful.

April 5, 2012

NOTICE OF VARIATION AND EXTENSION

by

MERCER INTERNATIONAL INC.

and

MERC ACQUISITION INC.,

a wholly-owned subsidiary of MERCER INTERNATIONAL INC.

OFFER TO PURCHASE

all of the outstanding common shares of

FIBREK INC.

for consideration per common share of Fibrek Inc. payable, at the election of each holder, in

one of the following forms:

C\$1.30 in cash (subject to proration as described below)

OR

C\$0.54 in cash plus 0.0903 of a share of common stock of MERCER INTERNATIONAL INC.

OR

0.1540 of a share of common stock of MERCER INTERNATIONAL INC. (subject to proration as described below)

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Mercer International Inc., a Washington corporation (**Mercer**), and MERC Acquisition Inc., a Canadian corporation, and a wholly-owned subsidiary of Mercer (**Mercer Acquisition**) and, together with Mercer, the **Offerors**), hereby give notice that we are extending the period of acceptance of our Offer to Purchase and Circular dated February 29, 2012 (the **Offer to Purchase and Circular**), as previously amended by the notice of variation dated March 19, 2012 (the **Notice**), pursuant to which we are offering to purchase (the **Offer**) all of the issued and outstanding common shares of Fibrek Inc. (**Fibrek**), including any Fibrek common shares that may become issued and outstanding after the date of the Offer but before the Expiry Time (as defined below) upon the exercise of options issued under Fibrek's share option plan (the **Fibrek SOP**) implemented on May 19, 2010 (the **Fibrek Shares**) for the purpose of and as described in this Notice of Variation and Extension.

The Offer, as hereby amended, will remain open for acceptance until 11:59 p.m., Eastern Time, on April 16, 2012, unless extended or withdrawn by us (the **Expiry Time**).

This Notice of Variation and Extension amends and should be read in conjunction with the Offer to Purchase and Circular, as previously amended by the Notice. *Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Offer to Purchase and Circular, as amended by the Notice, unless the context otherwise requires, and we , us and our refer to the Offerors or to Mercer with its subsidiaries and controlled affiliates, either individually or collectively, as the context may require.*

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FibreK shareholders who have validly deposited and not withdrawn their Fibrek Shares do not need to take any further action to accept the Offer. Fibrek shareholders desiring to deposit all or any portion of their Fibrek Shares under the Offer should either: (i) complete and sign the Letter of Transmittal (printed on BLUE paper) previously provided to Fibrek shareholders in accordance with the instructions in the Letter of Transmittal and mail or deliver it, together with the certificate(s) evidencing deposited Fibrek Shares, and any other required documents, to Computershare Investor Services Inc. (the **Depository**) at its office specified in the Letter of Transmittal; (ii) deposit such Fibrek Shares pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase, **Manner of Acceptance**; or (iii) request such Fibrek shareholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such Fibrek shareholder. **Any Fibrek shareholder whose Fibrek Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee must contact the Depository or its broker, investment dealer, bank, trust company or other nominee if such Fibrek shareholder desires to deposit such Fibrek Shares in the Offer.**

If a Fibrek shareholder desires to deposit Fibrek Shares pursuant to the Offer and: (i) the certificates evidencing such Fibrek Shares are not immediately available; (ii) such shareholder cannot deliver the certificates and all other required documents to the Depository before the Expiry Time; or (iii) such shareholder cannot comply with the procedures for book-entry transfer on a timely basis, such Fibrek Shares may nevertheless be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on **YELLOW** paper). See Section 3 of the Offer to Purchase, **Manner of Acceptance**.

Shares of Mercer common stock (**Mercer Shares**) are traded on the NASDAQ Global Market (**NASDAQ**) under the symbol **MERC** and the Toronto Stock Exchange (**TSX**) under the symbol **MRI.U**. Fibrek Shares are traded on TSX under the symbol **FBK**.

The securities offered in the Offer involve certain risks. For a discussion of risk factors you should consider in evaluating the Offer, see the Section entitled Risk Factors beginning on page 22 of the Offer to Purchase and Circular.

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION, ANY CANADIAN SECURITIES REGULATORY AUTHORITY OR ANY OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE OFFER TO PURCHASE AND CIRCULAR OR ANY AMENDMENT THERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Questions or requests for assistance may be directed to The Laurel Hill Advisory Group Company (the **Information Agent**) at its address and telephone number set forth on the back cover of this Notice of Variation and Extension. Requests for additional copies of this document, the Offer to Purchase and Circular, the Notice, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent, and copies will be furnished promptly at our expense. Fibrek shareholders may also contact their brokers, investment dealers, banks, trust companies or other nominees for assistance concerning the Offer.

We have not authorized anyone to provide any information or make any representation in connection with the Offer that is different from, or in addition to, the information and representations contained in this document, in the Offer to Purchase and Circular, the Notice or in any materials regarding the Offer accompanying this document, the Offer to Purchase and Circular, the Notice or otherwise incorporated by reference herein or therein. Fibrek shareholders should not rely on any information or any representation regarding the Offer not contained in this document, the Offer to Purchase and Circular, the Notice or in the documents regarding the Offer accompanying this document, the Offer to Purchase and Circular, the Notice or otherwise incorporated by reference herein or therein.

While the Offer is being made to all holders of Fibrek Shares, this document does not constitute an offer or a solicitation in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made in, nor will deposits be accepted in, any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, in our sole discretion, take such action as we may deem necessary to make the Offer in any such jurisdiction.

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NOTICE TO SHAREHOLDERS IN CANADA

We present our financial statements in Euros and prepare our financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Financial information in the Offer to Purchase and the Circular, as amended by the Notice and this Notice of Variation and Extension, has been prepared in accordance with U.S. GAAP, and therefore may not be comparable to financial data prepared by many Canadian companies.

FibreK shareholders in Canada should be aware that the disposition of Fibrek Shares and the acquisition of Mercer Shares by them as described herein or in the Offer to Purchase and Circular, as amended by the Notice, may have tax consequences both in Canada and the U.S. Such consequences may not be fully described herein or in the Offer to Purchase and Circular, as amended by the Notice, and such shareholders are encouraged to consult their tax advisors. See Section 17 of the Circular, Material Canadian Federal Income Tax Considerations and Section 18 of the Circular, Material U.S. Federal Income Tax Considerations .

Certain of the directors and officers of Mercer and certain of the experts named herein or in the Offer to Purchase and Circular, as amended by the Notice, may reside outside of Canada. Substantially all of the assets of these persons and of Mercer may be located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible to enforce against Mercer, its directors and officers and certain of the experts named herein or in the Offer to Purchase and Circular, as amended by the Notice, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

NOTICE TO SHAREHOLDERS IN THE U.S.

We present our financial statements in Euros and prepare our financial statements in accordance with U.S. GAAP. Financial statements for Fibrek included herein or in the Offer to Purchase and Circular, as amended by the Notice, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ from U.S. GAAP in certain material respects, and thus may not be comparable to financial statements of U.S. companies.

FibreK shareholders in the U.S. should be aware that the disposition of Fibrek Shares and the acquisition of Mercer Shares by them as described herein or in the Offer to Purchase and Circular, as amended by the Notice, may have tax consequences both in the U.S. and in Canada. Such consequences may not be fully described herein or in the Offer to Purchase and Circular, as amended by the Notice, and such shareholders are encouraged to consult their tax advisors. See Section 18 of the Circular, Material U.S. Federal Income Tax Considerations and Section 17 of the Circular, Material Canadian Federal Income Tax Considerations .

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that Mercer Acquisition is organized under the laws of Canada, that some or all of our officers and directors may reside outside the U.S., that some of the experts named herein or in the Offer to Purchase and Circular, as amended by the Notice, may reside outside the U.S., and that all or a substantial portion of our assets and of the assets of such persons may be located outside the U.S.

NOTICE TO HOLDERS OF OPTIONS

The Offer is made only for Fibrek Shares, including Fibrek Shares issued and outstanding before the Expiry Time upon the exercise of options issued under the Fibrek SOP and is not made for any stock options issued under the Fibrek SOP. Any holder of stock options issued under the Fibrek SOP who wishes to accept the Offer should, to the extent permitted by the terms of the security and applicable laws, exercise the options in order to obtain Fibrek Shares and deposit those Fibrek Shares pursuant to the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to assure compliance with the procedures set forth in Section 3 of the Offer to Purchase, Manner of Acceptance . Pursuant to the Support Agreement, Fibrek has agreed that until the expiry date, subject to the terms of the Fibrek SOP and the receipt of any necessary approvals and in accordance with applicable securities laws, it shall take such actions as may be necessary or desirable, including amending the terms of the Fibrek SOP, to

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provide that the vesting of any unvested Eligible Options be accelerated and a cashless exercise of the Eligible Options be effected solely for the purpose of tendering under the Offer all Fibrek Shares issued in connection with such cashless exercise. Mercer and Fibrek have also agreed in the Support Agreement that all Conditional Option Exercises shall be deemed to have been exercised immediately prior to the take-up of the Fibrek Shares by Mercer. Mercer shall accept as validly tendered under the Offer all of the Fibrek Shares to be issued pursuant to the Conditional Option Exercise, provided that the holders of such Fibrek options confirm to Fibrek and Mercer that such Fibrek Shares are tendered pursuant to the Offer. The Support Agreement provides that Fibrek shall resolve prior to the Effective Time that all Eligible Options remaining and not exercised at the Effective Time shall be terminated for no consideration, which termination shall not require the consent of any holders of Fibrek options. The income tax consequences to holders of stock options issued under the Fibrek SOP are not described under Section 17 of the Circular, Material Canadian Federal Income Tax Considerations or under Section 18 of the Circular, Material U.S. Federal Income Tax Considerations. Any holders of options should consult their own tax advisors for advice with respect to the actual or potential income tax consequences to them in connection with a decision they may make to exercise or not to exercise their options prior to the Expiry Time or thereafter.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Statements in this Notice of Variation and Extension, the Offer to Purchase and Circular, the Notice and the documents incorporated by reference herein or therein that are not reported financial results or other historical information of the Offerors or Fibrek, are forward-looking statements and involve risks and uncertainties relating to business outlook; assessment of market conditions; liquidity outlook, prospects, growth, strategies and the industry in which we operate; expected benefits resulting from the Offer and stated reasons to accept the Offer; and strategies for achieving our goals generally. Forward-looking statements may be identified by the use of forward-looking terminology such as the words should, would, could, will, may, expect, believe, anticipate, attempt, project and other terms with similar meaning and future events or potential impact on our business or Mercer shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management's current assumptions, beliefs and expectations, all of which involve a number of business risks and uncertainties that could cause actual results to differ materially. The potential risks and uncertainties that could cause our actual future financial condition, results of operations and performance to differ materially from those expressed or implied in this Notice of Variation and Extension, the Offer to Purchase and Circular, the Notice and the documents incorporated by reference herein or therein include, but are not limited to: Mercer Shares issued in connection with the Offer may have a market value lower than expected; the businesses of Mercer and Fibrek may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; the expected benefits, synergies and cost savings from the Offer may not be fully realized or not realized within the expected time frame; the possible delay in the completion of the steps required to be taken for our acquisition of Fibrek, including the possibility that any approvals or clearances required to be obtained from regulatory and other agencies and bodies will not be obtained in a timely manner; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees and suppliers; and all other potential risks and uncertainties set forth under the Section entitled Risk Factors in the Offer to Purchase and Circular, as amended by the Notice.

The completion of the Offer is subject to a number of terms and conditions. The conditions to the Offer may not be satisfied in accordance with their terms, and/or we may exercise our termination rights under the Support Agreement, in which case the Offer could be terminated. The outcome of the appeal of the decision of the Québec Court of Appeal may also have an impact on the completion of the Offer. Failure to complete the Offer could have a material adverse impact on the market price of the Fibrek Shares.

All forward-looking statements in this Notice of Variation and Extension, the Offer to Purchase and Circular, the Notice and the documents incorporated by reference herein or therein are expressly qualified by the cautionary statements contained or referred to in this section and in our other filings with the SEC and the Canadian securities regulatory authorities. We disclaim any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws.

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MARKET AND INDUSTRY DATA

Information about industry or general economic conditions contained in this Notice of Variation and Extension, the Offer to Purchase and Circular, the Notice and the documents incorporated by reference herein or therein is derived from third-party sources and certain trade publications that we believe are widely accepted and accurate; however, we have not independently verified this information and cannot provide assurances of its accuracy.

RECENT DEVELOPMENTS

On March 19, 2012, TSX accepted notice of the Special Warrant Financing, and conditionally approved the listing of the Fibrek Shares issuable on conversion of the Special Warrants. On March 22, 2012, Fibrek announced that it had been notified that Fairfax had filed an application for a hearing and review to the Ontario Securities Commission (the **OSC**) seeking to set aside and suspend the decision of the TSX until the application was heard by the OSC. As at the date hereof, the hearing before the OSC has been adjourned until April 13, 2012.

Effective March 23, 2012, the U.S. Federal Trade Commission granted our request for early termination of the statutory waiting period for U.S. competition and antitrust review.

On March 28, 2012, the Québec Court of Appeal overturned the previously announced decision of the Court of Québec, reinstating the cease trade order of the *Bureau de décision* against the Special Warrant Financing. On the same date, we announced that we, together with Fibrek, would seek permission from the Supreme Court of Canada to appeal the decision, which we are currently pursuing.

On April 2, 2012, we commenced an application before the *Bureau de décision* for a cease trade order and/or other appropriate relief in respect of the Abitibi Bid, including preventing Steelhead Partners, LLC and Fairfax from tendering their Fibrek Shares to the Abitibi Bid. Prior to that, on March 30, 2012, the OSC dismissed our parallel application. The OSC, without commenting on the merits of our application, determined that although it had jurisdiction to hear the application, the proper forum for the application was before the *Bureau de décision*.

Also on April 2, 2012, we received a favorable decision from the federal Minister of Industry following his review of the Offer under the *Investment Canada Act*.

On April 5, 2012, Fibrek announced that it had filed a motion with the Supreme Court of Canada seeking permission for an expedited process to hear both an application for leave to appeal and the appeal itself, if leave is granted, of the Québec Court of Appeal's decision.

MARKET PRICES AND EXCHANGE RATE

On April 4, 2012, the closing sale price of Mercer Shares on the NASDAQ was \$7.73 and the closing sale price of the Fibrek Shares on TSX was C\$1.06.

On March 30, 2012, the date of the noon buying rates in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for the conversion of Euros and Canadian dollars to U.S. dollars before the date hereof was 0.7496 per U.S. dollar and C\$0.9990 per U.S. dollar. Fibrek shareholders are encouraged to obtain current market quotations for Mercer Shares and Fibrek Shares and current exchange rate information prior to making any decision with respect to the Offer.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Our Proxy Statement on Schedule 14A filed with the SEC on March 26, 2012 (the **2012 Proxy Statement**) in respect of our annual meeting of shareholders to be held on May 31, 2012 is hereby incorporated by reference into, and forms an integral part of, the Offer to Purchase and Circular, as amended by the Notice and this Notice of Variation and Extension. For the purposes of the Offer to Purchase and Circular, as amended by the Notice and this Notice of Variation and Extension, the 2012 Proxy Statement will supersede and replace our Proxy Statement on Schedule 14A filed with the SEC on April 20, 2011, previously incorporated by reference.

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Any reports or documents that we file under Section 13(a), 13(c), 14 or 15(d) of the *Securities Exchange Act of 1934*, as amended (the **Exchange Act**) from the date of the Offer to Purchase and Circular to the date that the Fibrek Shares are accepted for payment or exchange pursuant to the Offer or the date that the Offer is terminated will be deemed to be automatically incorporated into and become a part of the Offer to Purchase and Circular. In particular, all of our SEC filings made pursuant to the Exchange Act after the date of our initial Registration Statement on Form S-4 (the **Registration Statement**), of which the Offer to Purchase and Circular, as amended forms a part, and prior to the effectiveness of the Registration Statement shall be deemed to be incorporated by reference into the Offer to Purchase and Circular, as amended. Any information contained in such subsequently filed reports that updates, modifies, supplements or replaces information contained in the Offer to Purchase and Circular, as amended, shall automatically supersede and replace such information. Any information that is modified or superseded by a subsequently filed report or document shall not be deemed, except as so modified or superseded, to constitute a part of the Offer to Purchase and Circular, as amended.

We will provide promptly without charge to you, upon oral or written request, a copy of any document incorporated by reference into the Offer to Purchase and Circular, as amended other than exhibits to these documents unless the exhibits are specifically incorporated by reference in these documents. Requests should be directed as follows:

Mercer International Inc.

700 West Pender Street

Suite 1120

Vancouver, British Columbia

Canada V6C 1G8

Telephone: (604) 684-1099

Attention: David M. Gandossi

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NOTICE OF VARIATION AND EXTENSION

The Offer to Purchase and Circular, as amended by the Notice and this Notice of Variation and Extension, contains important information which should be read carefully before making a decision with respect to the Offer.

April 5, 2012

TO HOLDERS OF FIBREK SHARES:

On April 5, 2012, by written notice given to the Depository and as set forth in this Notice of Variation and Extension, we amended our Offer to Purchase and Circular dated February 29, 2012, as amended by the Notice, pursuant to which we are offering to purchase, on the terms and subject to the conditions contained therein, all of the issued and outstanding Fibrek Shares (the **Original Offer**). Unless the context otherwise requires, capitalized terms used but not defined herein have the meanings set forth in the Offer to Purchase and Circular, as amended by the Notice.

Except as otherwise set forth in this Notice of Variation and Extension, the terms and conditions of the Original Offer set forth in the Offer to Purchase and Circular, as amended by the Notice, continues to be applicable in all respects. This Notice of Variation and Extension should be carefully read in conjunction with the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, in each case as may be amended by the Notice.

All references to the **Offer** in the Offer to Purchase and Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery, in each case as may be amended by the Notice, and this Notice of Variation and Extension mean the Original Offer, as amended further by this Notice of Variation and Extension.

1. EXTENSION OF THE OFFER

We are extending the expiry time of the Offer to 11:59 p.m. (Eastern time) on April 16, 2012.

In connection with the foregoing, the definition of **Expiry Time** included in the Offer to Purchase and Circular, as may be amended by the Notice, is deleted and the following definition is added to the **Glossary** section in the appropriate alphabetical order:

Expiry Time means 11:59 p.m., Eastern time, on April 16, 2012 or as may be extended.

Section 2 of the Offer to Purchase, **Time for Acceptance**, is deleted in its entirety and replaced with the following:

The Expiry Time is at 11:59 p.m., Eastern Time, on April 16, 2012 or, if later, the latest date and time to which the time of expiration of the Offer has been extended, as described in Section 5 of the Offer to Purchase, **Extension of the Expiry Time, Withdrawal, Variation or Change of the Offer**. We will not amend the Offer in such a manner as would cause the Expiry Time to occur earlier than 11:59 p.m., Eastern Time, on April 16, 2012.

The Expiry Time may be subject to extensions, depending on the timing of receipt of regulatory approvals and other factors.

In addition, all references to 5:00 p.m., Eastern Time, on April 6, 2012 in the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery that accompanied the Offer to Purchase and Circular, each as may be amended by the Notice, are amended to now refer to 11:59 p.m., Eastern Time, on April 16, 2012.

2. TIME FOR ACCEPTANCE

The Offer will remain open for acceptance until 11:59 p.m., Eastern Time, on April 16, 2012, unless extended or withdrawn by us.

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3. MANNER OF ACCEPTANCE

FibreK Shares which have not already been deposited pursuant to the Offer may be deposited under the Offer in accordance with the provisions of Section 3 of the Offer to Purchase, *Manner of Acceptance* .

4. TAKE UP AND PAYMENT FOR DEPOSITED FIBREK SHARES

If all conditions described in the Offer to Purchase and Circular have been satisfied or waived by us at or immediately prior to the Expiry Time, we will take up and promptly pay for Fibrek Shares validly deposited under the Offer and not properly withdrawn. Under Canadian Law, take up and payment must occur no later than ten days after the Expiry Time. All Fibrek Shares taken up under the Offer will be paid for promptly and, in any event, within three Business Days after having been taken up. Fibrek Shares deposited pursuant to the Offer after the first date on which Fibrek Shares have been taken up and paid for by us will be taken up and paid for not later than ten days after such deposit.

FibreK shareholders should refer to Section 6 of the Offer to Purchase, *Take Up and Payment for Deposited Fibrek Shares* for details regarding the take up of and payment for Fibrek Shares deposited under the Offer.

5. WITHDRAWAL OF DEPOSITED SHARES

FibreK Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Fibrek shareholder (unless otherwise required or permitted by applicable Laws):

at any time before Fibrek Shares deposited under the Offer are taken up and paid for by us; or

at any time before the expiration of the tenth day after the date upon which:

- (i) this Notice of Variation and Extension;
- (ii) a notice of change relating to a change that has occurred in the information contained in the Offer to Purchase and Circular, and such change is one that would reasonably be expected to affect the decision of a Fibrek shareholder to accept or reject the Offer (other than a change that is not within our control or the control of our affiliates, unless it is a change in a material fact relating to Mercer Shares); provided that such change occurs before the Expiry Time or after the Expiry Time but before the expiration of all rights of withdrawal in respect of the Offer; or

(iii) any subsequent notice of variation concerning a further variation of the terms of the Offer; is first mailed, delivered or otherwise properly communicated, unless in either case the Fibrek Shares have been taken up before the date of such notice of change or variation.

The ten-day period referred to above may be extended to ten Business Days where required by U.S. securities Laws.

Notice of withdrawal of deposited Fibrek Shares must: (i) be made by a method that provides the Depositary with a timely written or printed copy of such notice; (ii) be made by or on behalf of the depositing Fibrek shareholder; (iii) be signed by or on behalf of the depositing Fibrek shareholder; (iv) specify such Fibrek shareholder's identity, the number of Fibrek Shares to be withdrawn, and the name of the registered Fibrek shareholder; and (v) be actually received by the Depositary within the applicable time limits specified above.

If certificates evidencing the Fibrek Shares to be withdrawn have been delivered or otherwise identified to the Depositary then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless the notice of withdrawal is signed by the registered owner of such Fibrek Shares or such Fibrek Shares have been deposited by or for the account of an

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Eligible Institution, the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution. If Fibrek Shares have been

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deposited pursuant to the procedures for book-entry transfer as described in Section 3 of the Offer to Purchase, Manner of Acceptance , any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Fibrek Shares or otherwise comply with the procedures of CDS or DTC, as applicable.

Withdrawals may not be rescinded and will take effect upon actual receipt by the Depositary of a properly completed notice of withdrawal. Any Fibrek Shares withdrawn will be deemed not properly deposited for the purposes of the Offer, but may be re-deposited at any time on or prior to the Expiry Time by following the applicable procedures described in Section 3 of the Offer to Purchase, Manner of Acceptance .

6. STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of Fibrek with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

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APPROVAL AND CERTIFICATE OF MERCER INTERNATIONAL INC.

The foregoing, together with the Offer to Purchase and Circular and the Notice, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated: April 5, 2012

(Signed) Jimmy S.H. Lee
Jimmy S.H. Lee
President and Chief Executive Officer

(Signed) David M. Gandossi
David M. Gandossi
Executive Vice President, Chief Financial
Officer and Secretary

On behalf of the board of directors

(Signed) Eric Lauritzen
Eric Lauritzen
Director

(Signed) William McCartney
William McCartney
Director

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APPROVAL AND CERTIFICATE OF MERC ACQUISITION INC.

The foregoing, together with the Offer to Purchase and Circular and the Notice, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated: April 5, 2012

(Signed) Jimmy S.H. Lee
Jimmy S.H. Lee
President

On behalf of the board of directors

(Signed) David M. Gandossi
David M. Gandossi
Secretary

(Signed) Jimmy S.H. Lee
Jimmy S.H. Lee
President

(Signed) David M. Gandossi
David M. Gandossi
Secretary

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THE DEPOSITARY FOR THE OFFER IS:

By Registered Mail, Hand or Courier

Computershare Investor Services Inc.
100 University Avenue
9th Floor
Toronto, Ontario M5Y 2Y1
Attention: Corporate Actions

By Mail

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario M5C 3H2

Inquiries

Toll Free (North America): 1-800-564-6253

Overseas: 1-514-982-7555

E-mail: corporateactions@computershare.com

**ANY QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE
INFORMATION AGENT:**

Toll-Free (North America): 1-877-304-0211

Banks brokers or collect calls: 416-304-0211

Email: assistance@laurelhill.com

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This document is important and requires your immediate attention. If you have any questions as to how to deal with the transactions described in this document, you are encouraged to consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor. The Offer has not been approved or disapproved by any securities regulatory authority in Canada or the United States and no securities regulatory authority has expressed an opinion about, or passed upon the fairness or merits of the Offer contained in this document, the securities offered pursuant to the Offer or the adequacy of the information contained in this document. Any representation to the contrary is unlawful.

March 19, 2012

NOTICE OF VARIATION

by

MERCER INTERNATIONAL INC.

and

MERC ACQUISITION INC.,

a wholly-owned subsidiary of MERCER INTERNATIONAL INC.

OFFER TO PURCHASE

all of the outstanding common shares of

FIBREK INC.

for consideration per common share of Fibrek Inc. payable, at the election of each holder, in

one of the following forms:

C\$1.30 in cash (subject to proration as described below)

OR

C\$0.54 in cash plus 0.0903 of a share of common stock of MERCER INTERNATIONAL INC.

OR

0.1540 of a share of common stock of MERCER INTERNATIONAL INC. (subject to proration as described below)

Mercer International Inc., a Washington corporation (**Mercer**), and MERC Acquisition Inc., a Canadian corporation, and a wholly-owned subsidiary of Mercer (**Mercer Acquisition**) and, together with Mercer, the **Offerors**), hereby give notice that we are amending our Offer to Purchase and Circular dated February 29, 2012 (the **Offer to Purchase and Circular**) pursuant to which we are offering to purchase (the **Offer**) all of the issued and outstanding common shares of Fibrek Inc. (**Fibrek**) including any Fibrek common shares that may become issued and outstanding after the date of the Offer but before the Expiry Time (as defined below) upon the exercise of options issued under Fibrek's share option plan (the **Fibrek SOP**) implemented on May 19, 2010 (the **Fibrek Shares**) for the purpose of and as described in this Notice of Variation.

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The Offer, as hereby amended, will remain open for acceptance until 5:00 p.m., Eastern Time, on April 6, 2012, unless extended or withdrawn by us (the **Expiry Time**).

This Notice of Variation supplements and should be read in conjunction with the Offer to Purchase and Circular. *Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Offer to Purchase and Circular unless the context otherwise requires, and we , us and our refer to the Offerors or to Mercer with its subsidiaries and controlled affiliates, either individually or collectively, as the context may require.*

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FibreK shareholders who have validly deposited and not withdrawn their Fibrek Shares do not need to take any further action to accept the Offer. Fibrek shareholders desiring to deposit all or any portion of their Fibrek Shares under the Offer should either: (i) complete and sign the Letter of Transmittal (printed on **BLUE** paper) previously provided to Fibrek shareholders in accordance with the instructions in the Letter of Transmittal and mail or deliver it, together with the certificate(s) evidencing deposited Fibrek Shares, and any other required documents, to Computershare Investor Services Inc. (the **Depository**) at its office specified in the Letter of Transmittal; (ii) deposit such Fibrek Shares pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase, **Manner of Acceptance**; or (iii) request such Fibrek shareholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such Fibrek shareholder. **Any Fibrek shareholder whose Fibrek Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee must contact the Depository or its broker, investment dealer, bank, trust company or other nominee if such Fibrek shareholder desires to deposit such Fibrek Shares in the Offer.**

If a Fibrek shareholder desires to deposit Fibrek Shares pursuant to the Offer and: (i) the certificates evidencing such Fibrek Shares are not immediately available; (ii) such shareholder cannot deliver the certificates and all other required documents to the Depository before the Expiry Time; or (iii) such shareholder cannot comply with the procedures for book-entry transfer on a timely basis, such Fibrek Shares may nevertheless be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on **YELLOW** paper). See Section 3 of the Offer to Purchase, **Manner of Acceptance**.

Shares of Mercer common stock (**Mercer Shares**) are traded on the NASDAQ Global Market (**NASDAQ**) under the symbol **MERC** and the Toronto Stock Exchange (**TSX**) under the symbol **MRI.U**. Fibrek Shares are traded on TSX under the symbol **FBK**.

The securities offered in the Offer involve certain risks. For a discussion of risk factors you should consider in evaluating the Offer, see the Section entitled **Risk Factors beginning on page 22 of the Offer to Purchase and Circular.**

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION, ANY CANADIAN SECURITIES REGULATORY AUTHORITY OR ANY OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE OFFER TO PURCHASE AND CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Questions or requests for assistance may be directed to The Laurel Hill Advisory Group Company (the **Information Agent**) at its address and telephone number set forth on the back cover of this Notice of Variation. Requests for additional copies of this document, the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent, and copies will be furnished promptly at our expense. Fibrek shareholders may also contact their brokers, investment dealers, banks, trust companies or other nominees for assistance concerning the Offer.

We have not authorized anyone to provide any information or make any representation in connection with the Offer that is different from, or in addition to, the information and representations contained in this document, in the Offer to Purchase and Circular or in any materials regarding the Offer accompanying this document or the Offer to Purchase and Circular or incorporated by reference therein. Fibrek shareholders should not rely on any information or any representations regarding the Offer not contained in this document, the Offer to Purchase and Circular or in the documents regarding the Offer accompanying this document or the Offer to Purchase and Circular or incorporated by reference therein.

While the Offer is being made to all holders of Fibrek Shares, this document does not constitute an offer or a solicitation in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made in, nor will deposits be accepted in, any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, in our sole discretion, take such action as we may deem necessary to make the Offer in any such jurisdiction.

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NOTICE TO SHAREHOLDERS IN CANADA

We present our financial statements in Euros and prepare our financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Financial information in the Offer to Purchase and the Circular has been prepared in accordance with U.S. GAAP, and therefore may not be comparable to financial data prepared by many Canadian companies.

Fibrex shareholders in Canada should be aware that the disposition of Fibrek Shares and the acquisition of Mercer Shares by them as described herein or in the Offer to Purchase and Circular may have tax consequences both in Canada and the U.S. Such consequences may not be fully described herein or in the Offer to Purchase and Circular and such shareholders are encouraged to consult their tax advisors. See Section 17 of the Circular, **Material Canadian Federal Income Tax Considerations** and Section 18 of the Circular, **Material U.S. Federal Income Tax Considerations** .

Certain of the directors and officers of Mercer and certain of the experts named herein or in the Offer to Purchase and Circular may reside outside of Canada. Substantially all of the assets of these persons and of Mercer may be located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible to enforce against Mercer, its directors and officers and certain of the experts named herein or in the Offer to Purchase and Circular judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

NOTICE TO SHAREHOLDERS IN THE U.S.

We present our financial statements in Euros and prepare our financial statements in accordance with U.S. GAAP. Financial statements for Fibrek included herein or in the Offer to Purchase and Circular have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ from U.S. GAAP in certain material respects, and thus may not be comparable to financial statements of U.S. companies.

Fibrex shareholders in the U.S. should be aware that the disposition of Fibrek Shares and the acquisition of Mercer Shares by them as described herein or in the Offer to Purchase and Circular may have tax consequences both in the U.S. and in Canada. Such consequences may not be fully described herein or in the Offer to Purchase and Circular and such shareholders are encouraged to consult their tax advisors. See Section 18 of the Circular, **Material U.S. Federal Income Tax Considerations** and Section 17 of the Circular, **Material Canadian Federal Income Tax Considerations** .

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that Mercer Acquisition is organized under the laws of Canada, that some or all of our officers and directors may reside outside the U.S., that some of the experts named herein or in the Offer to Purchase and Circular may reside outside the U.S., and that all or a substantial portion of our assets and of the assets of such persons may be located outside the U.S.

NOTICE TO HOLDERS OF OPTIONS

The Offer is made only for Fibrek Shares, including Fibrek Shares issued and outstanding before the Expiry Time upon the exercise of options issued under the Fibrek SOP and is not made for any stock options issued under the Fibrek SOP. Any holder of stock options issued under the Fibrek SOP who wishes to accept the Offer should, to the extent permitted by the terms of the security and applicable laws, exercise the options in order to obtain Fibrek Shares and deposit those Fibrek Shares pursuant to the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to assure compliance with the procedures set forth in Section 3 of the Offer to Purchase, **Manner of Acceptance** . Pursuant to the Support Agreement, Fibrek has agreed that until the expiry date, subject to the terms of the Fibrek SOP and the receipt of any necessary approvals and in accordance with applicable securities laws, it shall take such actions as may be necessary or desirable, including amending the terms of the Fibrek SOP, to provide that the vesting of any unvested Eligible Options be accelerated and a cashless exercise of the Eligible Options be effected solely for the purpose of tendering under the Offer all Fibrek Shares issued in connection with such cashless exercise. Mercer and Fibrek have also agreed in the Support Agreement that all Conditional Option Exercises shall be deemed to have been exercised immediately prior to the take-up of the Fibrek Shares by Mercer.

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Mercer shall accept as validly tendered under the Offer all of the Fibrek Shares to be issued pursuant to the Conditional Option Exercise, provided that the holders of such Fibrek options confirm to Fibrek and Mercer that such Fibrek Shares are tendered pursuant to the Offer. The Support Agreement provides that Fibrek shall resolve prior to the Effective Time that all Eligible Options remaining and not exercised at the Effective Time shall be terminated for no consideration, which termination shall not require the consent of any holders of Fibrek options. The income tax consequences to holders of stock options issued under the Fibrek SOP are not described under Section 17 of the Circular, *Material Canadian Federal Income Tax Considerations* or under Section 18 of the Circular, *Material U.S. Federal Income Tax Considerations*. Any holders of options should consult their own tax advisors for advice with respect to the actual or potential income tax consequences to them in connection with a decision they may make to exercise or not to exercise their options prior to the Expiry Time or thereafter.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Statements in this Notice of Variation, the Offer to Purchase and Circular and the documents incorporated by reference herein or therein that are not reported financial results or other historical information of the Offerors or Fibrek, are forward-looking statements and involve risks and uncertainties relating to business outlook; assessment of market conditions; liquidity outlook, prospects, growth, strategies and the industry in which we operate; expected benefits resulting from the Offer and stated reasons to accept the Offer; and strategies for achieving our goals generally. Forward-looking statements may be identified by the use of forward-looking terminology such as the words *should*, *would*, *could*, *will*, *may*, *expect*, *believe*, *anticipate*, *attempt*, *project* and other terms with similar meaning indicating possible future events or potential outcomes on our business or Mercer shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management's current assumptions, beliefs and expectations, all of which involve a number of business risks and uncertainties that could cause actual results to differ materially. The potential risks and uncertainties that could cause our actual future financial condition, results of operations and performance to differ materially from those expressed or implied in this Notice of Variation, the Offer to Purchase and Circular and the documents incorporated by reference herein or therein include, but are not limited to: Mercer Shares issued in connection with the Offer may have a market value lower than expected; the businesses of Mercer and Fibrek may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; the expected benefits, synergies and cost savings from the Offer may not be fully realized or not realized within the expected time frame; the possible delay in the completion of the steps required to be taken for our acquisition of Fibrek, including the possibility that approvals or clearances required to be obtained from regulatory and other agencies and bodies will not be obtained in a timely manner; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees and suppliers; and all other potential risks and uncertainties set forth under the Section entitled *Risk Factors* in the Offer to Purchase and Circular.

The completion of the Offer is subject to a number of terms and conditions. The conditions to the Offer may not be satisfied in accordance with their terms, and/or we may exercise our termination rights under the Support Agreement, in which case the Offer could be terminated. The outcome of the appeal of the decision of the Court of Québec may also have an impact on the completion of the Offer. Failure to complete the Offer could have a material adverse impact on the market price of the Fibrek Shares.

All forward-looking statements in this Notice of Variation, the Offer to Purchase and Circular and the documents incorporated by reference herein or therein are expressly qualified by the cautionary statements contained or referred to in this section and in our other filings with the SEC and the Canadian securities regulatory authorities. We disclaim any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws.

MARKET AND INDUSTRY DATA

Information about industry or general economic conditions contained in this Notice of Variation, the Offer to Purchase and Circular and the documents incorporated by reference herein or therein is derived from third-party sources and certain trade publications that we believe are widely accepted and accurate; however, we have not independently verified this information and cannot provide assurances of its accuracy.

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RECENT DEVELOPMENTS

On February 29, 2012, Fibrek filed a directors' circular with the Canadian securities regulatory authorities wherein the Fibrek Board unanimously recommended that Fibrek shareholders **ACCEPT** our Offer and tender their Fibrek Shares to our Offer. The Fibrek Board also reaffirmed its recommendation that Fibrek shareholders **REJECT** the unsolicited offer made by Abitibi and that any Fibrek Shareholder who has tendered his or her Fibrek Shares to the unsolicited offer by Abitibi should **WITHDRAW** those Fibrek Shares and **TENDER** those Fibrek Shares to our Offer. Fibrek's directors' circular described in detail the reasons for their recommendation.

On March 5, 6 and 7, 2012, the Court of Québec heard the appeal of the decision of the *Bureau de décision*. On March 9, 2012, we announced that the Court of Québec ruled in favor of Mercer and Fibrek, reversing the cease trade order against the Special Warrants issued by the *Bureau de décision* on February 23, 2012.

On March 13, 2012, we commenced mailing to Mercer's shareholders the proxy materials regarding the special meeting of Mercer shareholders at which we will be seeking the Mercer Shareholder Approval.

On March 16, 2012, the Québec Court of Appeal granted Abitibi leave to appeal the decision of the Court of Québec. Such appeal is currently scheduled to be heard before the Québec Court of Appeal on March 22, 2012.

On March 19, 2012, we announced that we had received a no-action letter from Canada's Commissioner of Competition (the Commissioner), confirming that, at this time, the Commissioner does not intend to challenge Mercer's acquisition of Fibrek Shares under the Offer.

On March 19, 2012, in response to certain comments raised by the SEC on our registration statement on Form S-4 which contains the Offer to Purchase and Circular initially filed with the SEC on February 29, 2012 (the **S-4 Registration Statement**), Mercer filed Amendment No. 1 to the S-4 Registration Statement. This Notice of Variation has been prepared under Canadian securities Laws and regulations in order to give effect to Amendment No. 1 to the S-4 Registration Statement under Canadian take-over bid rules.

Also on March 19, 2012, we issued a press release announcing (i) the filing of Amendment No. 1 to the S-4 Registration Statement, and (ii) the filing and mailing to Fibrek shareholders of this Notice of Variation.

MARKET PRICES AND EXCHANGE RATE

On March 16, 2012, the closing sale price of Mercer Shares on the NASDAQ was \$7.76 and the closing sale price of the Fibrek Shares on TSX was C\$1.25.

On March 9, 2012, the date of the noon buying rates in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the **Noon Buying Rate**) for the conversion of Euros and Canadian dollars to U.S. dollars before the date hereof, the Noon Buying Rate for the conversion of Euros and Canadian dollars to U.S. dollars was 0.7629 per U.S. dollar and C\$0.9894 per U.S. dollar. Fibrek shareholders are encouraged to obtain current market quotations for Mercer Shares and Fibrek Shares and current exchange rate information prior to making any decision with respect to the Offer.

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NOTICE OF VARIATION

The Offer to Purchase and Circular and this Notice of Variation contain important information which should be read carefully before making a decision with respect to the Offer.

March 19, 2012

TO HOLDERS OF FIBREK SHARES:

On March 19, 2012, by written notice given to the Depository and as set forth in this Notice of Variation, we have amended our Offer to Purchase and Circular dated February 29, 2012 (the **Offer to Purchase and Circular**), pursuant to which we are offering to purchase, on the terms and subject to the conditions contained therein, all of the issued and outstanding Fibrek Shares (the **Original Offer**). Unless the context otherwise requires, capitalized terms used but not defined herein have the meanings set forth in the Offer to Purchase and Circular.

Except as otherwise set forth in this Notice of Variation, the terms and conditions set forth in the Offer to Purchase and Circular continue to be applicable in all respects. This Notice of Variation should be carefully read in conjunction with the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery.

All references to the **Offer** in the Offer to Purchase and Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and this Notice of Variation mean the Original Offer, as amended by this Notice of Variation.

1. AMENDMENTS TO CERTAIN PROVISIONS APPLICABLE TO THE OFFER

We have amended certain provisions applicable to the Offer as set forth below.

Section 4 of the Offer to Purchase, Conditions of the Offer

The following sentence shall be included at the end of Section 4 of the Offer to Purchase, **Conditions of the Offer** on page 39:

The Offer is not conditional upon the issuance or conversion of the Special Warrants.

Section 4 of the Circular, Background to the Offer

The following paragraph is added to the end of Section 4 of the Circular, **Background to the Offer** on page 50:

On March 5, 6 and 7, 2012, the Court of Québec heard the appeal of the decision of the *Bureau de décision*. On March 9, 2012, we announced that the Court of Québec ruled in favor of Mercer and Fibrek, reversing the cease trade order against the Special Warrants issued by the *Bureau de décision* on February 23, 2012. On March 16, 2012, the Québec Court of Appeal granted Abitibi leave to appeal the decision of the Court of Québec.

Section 7 of the Circular, Certain Relationships between Fibrek and Us

The following sentences are added to the end of the second paragraph under the heading **Special Warrant Agreement** in Section 7 of the Circular, **Certain Relationships between Fibrek and Us** on page 56:

On March 9, 2012, we announced that the Court of Québec ruled in favor of Mercer and Fibrek, reversing the cease trade order against the Special Warrants issued by the *Bureau de décision* on February 23, 2012. On March 16, 2012, the Québec Court of Appeal granted Abitibi leave to appeal the decision of the Court of Québec.

Section 7 of the Circular, Certain Relationships between Fibrek and Us

The last paragraph under the heading **Special Warrant Agreement** in Section 7 of the Circular, **Certain Relationships between Fibrek and Us** on page 57 is deleted and replaced with the following paragraphs:

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On March 5, 6 and 7, 2012, the Court of Québec heard the appeal of the decision of the *Bureau de décision*. On March 9, 2012, we announced that the Court of Québec ruled in favor of Mercer and Fibrek, reversing the cease trade order against the Special Warrants issued by the Bureau de décision on February 23, 2012. On March 16, 2012, the Québec Court of Appeal granted Abitibi leave to appeal the decision of the Court of Québec.

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As a result of the foregoing, and as the matter is before the Québec Court of Appeal, at this time, we cannot predict whether Fibrek will be permitted to issue the Special Warrants to us pursuant to the terms of the Special Warrant Agreement or at all.

2. TIME FOR ACCEPTANCE

The Offer will remain open for acceptance until 5:00 p.m., Eastern Time, on April 6, 2012, unless extended or withdrawn by us.

3. MANNER OF ACCEPTANCE

Fibrek Shares which have not already been deposited pursuant to the Offer may be deposited under the Offer in accordance with the provisions of Section 3 of the Offer to Purchase, *Manner of Acceptance* .

4. TAKE UP OF, AND PAYMENT FOR, DEPOSITED FIBREK SHARES

If all conditions described in the Offer to Purchase and Circular have been satisfied or waived by us at or immediately prior to the Expiry Time, we will take up and promptly pay for Fibrek Shares validly deposited under the Offer and not properly withdrawn. Under Canadian Law, take up and payment must occur no later than ten days after the Expiry Time. All Fibrek Shares taken up under the Offer will be paid for promptly and, in any event, within three Business Days after having been taken up. Fibrek Shares deposited pursuant to the Offer after the first date on which Fibrek Shares have been taken up and paid for by us will be taken up and paid for not later than ten days after such deposit.

Fibrek shareholders should refer to Section 6 of the Offer to Purchase, *Take Up and Payment for Deposited Fibrek Shares* for details regarding the take up of and payment for Fibrek Shares deposited under the Offer.

5. WITHDRAWAL OF DEPOSITED SHARES

Fibrek Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Fibrek shareholder (unless otherwise required or permitted by applicable laws):

at any time before Fibrek Shares deposited under the Offer are taken up and paid for by us; or

at any time before the expiration of the tenth day after the date upon which:

 this Notice of Variation;

 a notice of change relating to a change that has occurred in the information contained in the Offer to Purchase and Circular, and such change is one that would reasonably be expected to affect the decision of a Fibrek shareholder to accept or reject the Offer (other than a change that is not within our control or the control of our affiliates, unless it is a change in a material fact relating to Mercer Shares); provided that such change occurs before the Expiry Time or after the Expiry Time but before the expiration of all rights of withdrawal in respect of the Offer; or

 any subsequent notice of variation concerning a further variation of the terms of the Offer; is first mailed, delivered or otherwise properly communicated, unless in either case the Fibrek Shares have been taken up before the date of such notice of change or variation.

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The ten-day period referred to above may be extended to ten Business Days where required by U.S. securities Laws.

Notice of withdrawal of deposited Fibrek Shares must: (i) be made by a method that provides the Depositary with a timely written or printed copy of such notice; (ii) be made by or on behalf of the depositing Fibrek shareholder; (iii) be signed by or on behalf of the depositing Fibrek shareholder; (iv) specify such Fibrek shareholder's identity, the number of Fibrek Shares to be withdrawn, and the name of the registered Fibrek shareholder; and (v) be actually received by the Depositary within the applicable time limits specified above.

If certificates evidencing the Fibrek Shares to be withdrawn have been delivered or otherwise identified to the Depositary then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless the notice of withdrawal is signed by the registered owner of such Fibrek Shares or such Fibrek Shares have been deposited by or for the account of an Eligible Institution, the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution. If Fibrek Shares have been deposited pursuant to the procedures for book-entry transfer as described in Section 3 of the Offer to Purchase, Manner of Acceptance, any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Fibrek Shares or otherwise comply with the procedures of CDS or DTC, as applicable.

Withdrawals may not be rescinded and will take effect upon actual receipt by the Depositary of a properly completed notice of withdrawal. Any Fibrek Shares withdrawn will be deemed not properly deposited for the purposes of the Offer, but may be re-deposited at any time on or prior to the Expiry Time by following the applicable procedures described in Section 3 of the Offer to Purchase, Manner of Acceptance.

6. STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of Fibrek with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

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APPROVAL AND CERTIFICATE OF MERCER INTERNATIONAL INC.

The foregoing, together with the Offer to Purchase and Circular, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated: March 19, 2012

(Signed) Jimmy S. H. Lee
Jimmy S.H. Lee
President and Chief Executive Officer

(Signed) David M. Gandossi
David M. Gandossi
Executive Vice President, Chief Financial
Officer and Secretary

On behalf of the board of directors

(Signed) Eric Lauritzen
Eric Lauritzen
Director

(Signed) William McCartney
William McCartney
Director

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APPROVAL AND CERTIFICATE OF MERC ACQUISITION INC.

The foregoing, together with the Offer to Purchase and Circular, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated: March 19, 2012

(Signed) Jimmy S.H. Lee
Jimmy S.H. Lee
President

On behalf of the board of directors

(Signed) David M. Gandossi
David M. Gandossi
Secretary

(Signed) Jimmy S.H. Lee
Jimmy S.H. Lee
Director

(Signed) David M. Gandossi
David M. Gandossi
Director

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THE DEPOSITARY FOR THE OFFER IS:

By Registered Mail, Hand or Courier

Computershare Investor Services Inc.

100 University Avenue

9th Floor

Toronto, Ontario M5Y 2Y1

Attention: Corporate Actions

By Mail

Computershare Investor Services Inc.

P.O. Box 7021

31 Adelaide Street East

Toronto, Ontario M5C 3H2

Inquiries

Toll Free (North America): 1-800-564-6253

Overseas: 1-514-982-7555

E-mail: corporateactions@computershare.com

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE

INFORMATION AGENT: