

For Immediate Release



FORTRESS PAPER DISSOLVING PULP MILL TAKES MARKET DOWNTIME

VANCOUVER, British Columbia, December 17, 2013 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") (**TSX:FTP**) announced today that it will be taking market downtime at the Fortress Specialty Mill (the "FSC Mill") in Thurso, Québec. The recent imposition of an interim duty by China's Ministry of Commerce ("MOFCOM") on the import of Canadian dissolving pulp into China has made it uneconomical for the FSC Mill to continue producing dissolving pulp at this time and the current market pricing for northern bleached hardwood kraft (NBHK) pulp is not sufficient to warrant production. The Company anticipates it will take approximately 10 weeks' market downtime at the FSC Mill commencing December 22, 2013, during which employees at the FSC Mill will be encouraged to take their holidays. This market shutdown will also reduce the scheduled June 2014 maintenance shutdown and allow the Company to manage its dissolving pulp inventory build-up which resulted from the volatility and uncertainty in pricing in the short term dissolving pulp market.

Chadwick Wasilenkoff, Chief Executive Officer of Fortress Paper, commented: "As a result of a thorough evaluation of the current economics at the FSC Mill, the board of directors of Fortress Paper has determined that the fiscally prudent action is for the FSC Mill to take approximately 10 weeks' market downtime, subject to prevailing market conditions. This will result in a reduction of the cash burn based on current market prices and the current preliminary duty that has been imposed. During this downtime, we will continue to implement various operational improvements that will bring our overall cost structure down, as well as proactively focus on preventative procedures to enhance the FSC Mill's productivity and reliability when it resumes operation." Mr. Wasilenkoff further added, "We still have confidence in the future pricing and prospects for dissolving pulp as the market adjusts to the impact of the duty and future growth demands."

About Fortress Paper

Fortress Paper operates internationally in two distinct business segments: dissolving pulp and security paper products. The Company operates its dissolving pulp business at the FSC Mill located in Canada, which has expanded into the renewable energy generation sector with the construction of a cogeneration facility and is in the process of expanding production into NBHK pulp. The Company is also seeking to expand its dissolving pulp capacity with the acquisition of Fortress Global Cellulose Mill located at Lebel-sur-Quévillon, Québec, which the Company is evaluating to convert into a dissolving pulp mill and re-start the cogeneration facility. The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers, and at its high security production and research facility located in Canada, where it manufactures optically variable thin film material.

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This press release contains certain forward-looking statements that reflect the current views and/or expectations of Fortress Paper with respect to its performance, business and future events, including statements regarding cash flow, growth and future prospects of our business, market conditions for dissolving pulp and NBHK, our perceptions of the industry and markets in which we operate and anticipated trends in such markets, the length of time for the market downtime at the FSC Mill, future reductions in costs at the FSC Mill and enhancements to the FSC Mill's future productivity and reliability. The reader is cautioned that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying the Company's expectations regarding forward-looking statements contained in this news release include, among others: that the current depressed dissolving pulp and NBHK pulp prices are indicative of unusual market conditions and are not sustainable in the long-term and that the supply of dissolving pulp will decrease and lead to a price increase in the short- to medium-term. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, that market conditions for dissolving pulp and NBHK pulp will remain unfavourable, that the interim duty imposed by MOFCOM may increase and that the FSC Mill cost structure will not improve. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on forward-looking statements, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions for updating any voluntary forward looking statements, except as required by applicable securities law.