

For Immediate Release



**FORTRESS PAPER ANNOUNCES COMPLETION OF PURCHASES UNDER
NORMAL COURSE ISSUER BID**

VANCOUVER, British Columbia, August 19, 2016 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (TSX:FTP) announced today that, pursuant to its normal course issuer bid announced January 4, 2016 (the "**NCIB**"), it has purchased for cancellation an aggregate \$4,025,000 principal amount of its 6.5% convertible unsecured subordinated debentures due on December 31, 2016 (Trading Symbol: FTP.DB) (the "**6.5% Debentures**"), which represents the maximum amount permitted to be purchased pursuant to the NCIB, at an average cost of 97.1 per 6.5% Debenture. The Company has also purchased for cancellation an aggregate \$6,900,000 principal amount of its 7.0% convertible unsecured subordinated debentures due on December 31, 2019 (Trading Symbol: FTP.DB.A) (the "**7.0% Debentures**"), which represents the maximum amount permitted to be purchased pursuant to the NCIB, at an average cost of 76.0 per 7.0% Debenture.

The Company relied on the block purchase exemption for certain of its purchases under the NCIB. Following completion of such purchases and cancellation, \$36,225,000 principal amount of 6.5% Debentures and \$62,100,000 principal amount of 7.0% Debentures remain issued and outstanding.

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. 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.

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