

**For Immediate Release**



**FORTRESS PAPER ANNOUNCES COMPLETION OF  
SALE AND LEASEBACK TRANSACTION AT LANDQART MILL**

VANCOUVER, British Columbia, July 12, 2016 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (TSX:FTP) is pleased to announce that its wholly owned subsidiary, Landqart AG ("**Landqart**"), has successfully completed the sale of its lands and buildings related to its security paper business located in Landqart, Switzerland (the "**Transaction**"), previously announced on June 6, 2016, to GAM Investment Management (Switzerland) AG on behalf of Procimmo Swiss Commercial Fund II. The aggregate purchase price for the Transaction was CHF 44,500,000, or approximately CDN\$59 million.

Effective as of the date hereof, substantially all of the lands and buildings subject to the Transaction are leased back to Landqart pursuant to a 20-year triple-net lease, which ensures the ongoing operation of Landqart's security paper business. The lease is renewable for an additional two 10-year periods on substantially the same terms and contains certain repurchase rights.

Sangra Moller LLP and Baker & McKenzie (Switzerland) acted as legal counsel to Fortress Paper in connection with the Transaction. JLL (Switzerland) served as Fortress Paper's advisor.

**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 Fortress Specialty Cellulose 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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