

FOR IMMEDIATE RELEASE



TSX: FTP

FORTRESS PAPER ANNOUNCES NORMAL COURSE ISSUER BID

Vancouver, British Columbia – August 19, 2013 - Fortress Paper Ltd. ("Fortress Paper" or the "Company") announces that the Toronto Stock Exchange (the "Exchange") has accepted Fortress Paper's notice of intention to make a normal course issuer bid through the facilities of the Exchange. On August 21, 2013, Fortress Paper may commence making purchases, from time to time, up to a maximum of: (i) \$4,025,000 aggregate principal amount of its outstanding 6.5% convertible unsecured subordinated debentures due December 31, 2016 (Trading Symbol: FTP.DB) (the "6.5% Debentures"); (ii) \$6,900,000 aggregate principal amount of its outstanding 7.0% convertible unsecured subordinated debentures due December 31, 2019 (Trading Symbol: FTP.DB.A) (the "7.0% Debentures"); and (iii) 1,202,860 of its 14,561,417 outstanding common shares as at the date hereof (Trading Symbol: FTP) (the "Common Shares"), each of which represents 10% of the "public float" of such class of listed security within the meaning of the policies of the TSX, provided that the aggregate purchase price for all securities purchased under the bid does not exceed \$15,000,000.

The bid will terminate on August 20, 2014 or earlier if Fortress Paper has completed its purchase of securities subject to the bid. Purchases may be suspended by Fortress Paper at any time and Fortress Paper reserves the right to terminate the bid earlier if it determines it is appropriate to do so.

Fortress Paper believes that the current market price of the Common Shares does not reflect the value of Fortress Paper's business and its future business prospects. Further, Fortress Paper believes that in view of the recent trading prices of the 6.5% Debentures and the 7.0% Debentures, and depending upon prices from time to time throughout the duration of the bid, the purchase of such debentures may represent an attractive use of funds to reduce the Company's ongoing interest expense and the overall outstanding debt at below face value, thereby enhancing shareholder value. Any securities acquired will be purchased at the market price up to a daily maximum of: (i) 11,073 Common Shares; (ii) \$19,276 principal amount of 6.5% Debentures; and (iii) \$32,362 principal amount of 7.0% Debentures, subject to the block purchase exemption, and will be cancelled following purchase.

Fortress Paper has not purchased any securities during the previous twelve months.

About Fortress Paper Ltd.

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 is also in the process of expanding into the renewable energy generation sector with the construction of a cogeneration facility. The Company is also seeking to expand its dissolving pulp capacity with the recent 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.

For more information, please contact:
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