

For Immediate Release



FORTRESS PAPER SELLS SECURITY PAPER BUSINESS FOR CHF21.5 MILLION

VANCOUVER, British Columbia, December 20, 2017 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (TSX:FTP) (OTCQX:FTPLF) reports that its wholly owned subsidiary, Fortress Security Papers AG ("**FSP**"), has entered into and completed a share purchase agreement with the Swiss National Bank ("**SNB**") and Orell Füssli Holding AG ("**OF**"), pursuant to which the Company sold the two legal entities representing their security paper products business comprised of all of the shares of its wholly owned subsidiaries, Landqart AG and Landqart Management and Services AG (collectively, "**Landqart**"), to SNB and OF for an aggregate purchase price of CHF21,500,000 (approximately CDN\$28 million).

With the sale of Landqart, Fortress Paper no longer operates in the security paper products segment.

Chadwick Wasilenkoff, Chief Executive Officer, of Fortress Paper, commented: "As was previously announced in the third quarter, Landqart was confronted with the loss of material purchase orders by one of its significant international customers. As a result, Landqart required an injection of new capital and continued financial support of a magnitude that Fortress Paper as the parent company deemed as not strategically viable. After evaluating various options, management and the Board of Directors believes the transaction announced today is in the best interests of the Company under these circumstances. With SNB and OF as the new shareholders, we are confident that Landqart will be successful going forward. We want to thank the management team and all those involved with building Landqart to the company it is today. The sale of Landqart allows Fortress Paper to focus on growing its dissolving pulp business and pursuing other strategic initiatives."

About Fortress Paper

Fortress Paper 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.

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