

For Immediate Release



FORTRESS PAPER ANNOUNCES AGREEMENT WITH ITS EXECUTIVE CHAIRMAN

VANCOUVER, British Columbia, December 20, 2016 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (TSX:FTP) is pleased to announce that it has entered into an agreement with Mr. Chadwick Wasilenkoff for his continued role as Executive Chairman of the Company on a full-time basis. The agreement will commence on January 1, 2017 for a term of four years. The agreement supersedes and replaces Mr. Wasilenkoff's transition agreement and all other services arrangements with the Company and its subsidiaries, and provides the Company with a further deferral until the end of the term, or the termination of the agreement, of the \$3 million payment that the Company agreed to pay him under the transition agreement.

Over the past 12 months, the Company has achieved improved financial results and a strengthened balance sheet which provide for greater flexibility to pursue new business opportunities. The Company has also identified certain value creating initiatives which could be realized by leveraging the Company's core strengths. The Company believes that Mr. Wasilenkoff's more robust role will provide a catalyst to achieving the Company's renewed strategic direction which will focus on growth and expansion.

Yvon Pelletier, the Company's Chief Executive Officer, commented, "We are extremely pleased to have come to an agreement with Chad regarding his continued employment with the Company as its Executive Chairman, ensuring that the Company retains a valuable executive for the medium to long-term. Chad's strategic and entrepreneurial talents are an asset to our Company, and we look forward to working with him to maximize value for all our stakeholders."

Mr. Wasilenkoff commented, "I look forward to continuing to work with Yvon and our talented management team. Yvon's strong operational experience and leadership has played a key role this year with Fortress Paper successfully completing various strategic initiatives. As we move forward, the entire team is excited about the opportunities and potential within our existing business segments, as well as the prospects of new growth initiatives which leverage the Company's core competencies."

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.

For more information, please contact:
Fortress Paper Ltd.
604-904-2328 or info@fortresspaper.com