For Immediate Release

TSX: FTP

FORTRESS PAPER ANNOUNCES THIRD QUARTER 2013 RESULTS

Vancouver, British Columbia, November 12, 2013 – Fortress Paper Ltd. ("Fortress Paper" or the "Company") reported 2013 third quarter EBITDA loss of $7.3 million. The Dissolving Pulp Segment generated EBITDA loss of $6.6 million and the Security Paper Products Segment generated EBITDA of $1.6 million. Corporate costs contributed $2.3 million to EBITDA loss.

Fortress reported adjusted net loss from continuing operations of $15.6 million, or diluted loss per share of $1.07 for the third quarter of 2013 on sales of $53.2 million. In the second quarter of 2013, the Company reported adjusted net loss from continuing operations of $20.6 million or diluted loss per share of $1.42 on sales of $59.9 million, and for the third quarter of 2012, adjusted net loss from continuing operations of $23.2 million or diluted loss per share of $1.61 on sales of $38.3 million. Adjusted net loss in the second quarter of 2013 was impacted by an expense of approximately $3.5 million recorded as a deferred tax accrual.

Fortress reported a net loss from continuing operations of $13.4 million, or diluted loss per share of $0.92 for the third quarter of 2013. In the second quarter of 2013, the Company reported a net loss from continuing operations of $20.9 million or diluted loss per share of $1.43, and for the third quarter of 2012, net loss from continuing operations of $24.1 million or diluted loss per share of $1.67.

Fortress reported a net loss, including discontinued operations, of $12.4 million, or diluted loss per share of $0.85 for the third quarter of 2013. In the second quarter of 2013, the Company reported a net income, including discontinued operations of $134.1 million or diluted earnings per share of $9.23. Included in discontinued operations was a $153.3 million gain on the sale of the Dresden mill. In the third quarter of 2012, the Company reported a net loss of $19.1 million or diluted loss per share of $1.32, including discontinued operations

The Dissolving Pulp Segment has experienced another difficult quarter due to depressed market prices, delays in the cogeneration facility completion and operational and maintenance issues. The Fortress Specialty Cellulose ("FSC") mill cogeneration facility project was successfully completed on October 2, 2013 and began delivering power to the Hydro Québec grid at the contracted commercial rate. This is a significant milestone for the reduction of the overall cost structure at the mill.

As a result of a strategic assessment and testing of alternatives for the FSC mill, the Company has been pursuing a strategy of modifying the mill to be capable of swinging production from dissolving pulp to northern bleached hardwood kraft (NBHK) pulp. This redesign is expected to enable the Company to maximize margins in response to changing market conditions.

The Security Paper Products Segment has experienced a third consecutive quarter with sales, volumes and revenues significantly higher relative to any comparative period in 2012 and 2011. The Landqart mill continues to implement new programs to improve efficiencies and profitability. EBITDA for the Security Paper Products Segment for the quarter ended September 30, 2013 was $7.4 million higher when compared to the third quarter of 2012, and $1.1 million higher compared to the previous quarter. However, less than favourable conditions, including the strength of the Swiss franc against the Euro, overcapacity in the banknote paper industry and increased competition for orders, continue to adversely impact the results of the Security Paper Products Segment.

Management's Outlook

Dissolving Pulp Segment

Dissolving pulp markets remained challenging during the third quarter of 2013 due to continued excess supply. The average market price of dissolving pulp in China, as reported by China Chemical Fibers & Textiles Consultancy Group (CCF), a leading professional data analysis company relied upon in the dissolving pulp industry, was approximately US$880 per air dried metric tonne (ADMT) during the third quarter of 2013. Management believes that the current depressed dissolving pulp prices are indicative of unusual market conditions and are not sustainable in the long term. Following the interim anti-dumping duty announcement of the Ministry of Commerce of China ("MOFCOM") on November 6, 2013 for Canadian, American and Brazilian companies, based on its preliminary assessment, the Company believes that the supply of dissolving pulp will decrease significantly and lead to a price increase in the short to medium term. The Company also believes that if the interim duty for all other unnamed Canadian, American and Brazilian dissolving pulp producers remains unchanged, it will have a long term deterrent effect on supply dynamics. See "Subsequent Event – China Anti-Dumping Investigation".

Prior to the third quarter of 2013, viscose producers in China had decreased operating rates to manage inventory and stabilize prices. However, operating rates in the third quarter have increased which has eroded viscose staple fibre prices to their lowest levels in many months. Dissolving pulp is the main raw material input for the production of viscose staple fibre. Cotton prices remained relatively stable in China during the third quarter of 2013 and well above viscose staple fibre prices. Viscose staple fibre is a substitute for cotton.

The FSC mill operated more efficiently during the third quarter of 2013 relative to the prior quarter. Cash costs continued to improve in the third quarter but were higher than expected due to operational and maintenance issues and delay in the cogeneration facility start-up.

Shortly after quarter end the cogeneration project was successfully completed and the facility commenced delivering power to the Hydro Québec grid at the contracted commercial rate. The cogeneration start-up was delayed due to unexpected mechanical failure of the high pressure water pump and the back-up pump which were resolved when a new supplier was engaged and the 100 hour test could be completed.

Although depressed dissolving pulp prices continue to impact FSC mill results, the Company expects to realize significant cost-savings from production improvements, cost reduction initiatives and the cogeneration facility in the fourth quarter of 2013 and into fiscal 2014.

Finished goods inventory levels of dissolving pulp at the end of the third quarter were higher than previous periods. During the third quarter of 2013, the FSC mill implemented a plan to reduce logistics, transportation and distribution costs. Dissolving pulp inventory levels were higher due to the mill retaining ownership of the inventory for a longer period in the sales cycle, as well as ongoing negotiations with Chinese buyers resulting from the uncertainty surrounding the ongoing China dissolving pulp anti-dumping investigation. Subsequent to the quarter end, dissolving pulp sales with our existing customers have resumed.

The Company is evaluating the impact of the MOFCOM decision on the Fortress Global Cellulose ("FGC") mill project in Lebel-sur-Quévillon, Québec. The Company is also continuing the process of exploring strategic options for the FGC mill project, to mitigate the financial risk, including alternative financing structures, joint ventures and partnership opportunities. The Company will be comparing the FGC mill investment opportunity to other strategic options for shareholder value creation. The Company is currently in discussions with prospective equity investors for the project and is in the process of discussing potential revised terms for its project financing to provide greater flexibility. Approximately $25 million has been spent to date on the FGC mill project. Due to changing economics and market conditions, there is no assurance that definitive investment arrangements will be concluded or that the FGC mill project will proceed to completion as previously planned.

Due to a change in timelines relating to the FGC mill project, the Company reviewed with Hydro Québec its electricity supply agreement dated September 28, 2012, resulting in the agreement no longer being in effect. The FGC mill intends to submit a tender for a new power supply agreement under Hydro Québec's power purchase program request for proposals expiring December 21, 2013. Among other things, the new tender will include a request for an increase in the amount of power to be supplied by the cogeneration facility from the previously approved 34 megawatts to 42 megawatts. There is no assurance that the Company will be granted another power supply agreement.

Security Paper Products Segment

The Landqart mill has had a strong third quarter order intake including a contract extension on one of the mill's more significant orders. The pipeline of opportunities to year end is strong and consists of a mix of tender and repeat order possibilities which, if successfully secured, will further improve an already stable order book for next year.

Subsequent Event

China Anti-Dumping Investigation

In February 2013, MOFCOM announced the commencement of an anti-dumping investigation on the importing of cellulose pulp originating from Canada, the United States and Brazil, after receiving a petition from certain manufacturers in China. The announcement included Fortress Specialty Cellulose Ltd. ("Fortress Specialty") as one of the Canadian producers that is subject to the investigation. Fortress Specialty registered with MOFCOM the same month and submitted its responses to MOFCOM.

On November 6, 2013, the Company announced that MOFCOM made a preliminary determination to impose an interim duty on the import of dissolving pulp into China from each of the originating countries. The interim duty applied against Fortress Specialty's dissolving pulp imports has been calculated at 13% of the CIF price to China, and will be payable in cash bonds in respect of prospective imports during the period between MOFCOM's preliminary and final determination. The interim duty applied against the Company's imports is consistent with that applied against other Canadian dissolving pulp importers who were specifically named in the investigation. The interim duty applied to American dissolving pulp producers ranged from 18.7% to 21.7% and 6.7% for one Brazilian producer which were named in the investigation. All other unnamed current or future Canadian, American and Brazilian dissolving pulp producers will be subject to an interim duty of 50.9%, 49.8% and 49.4%, respectively.

The Company believes that MOFCOM's preliminary decision may serve to materially harm the business of Chinese viscose staple fibre (VSF) producers and continues to believe, as previously submitted to MOFCOM, that the assessment of injury to China's dissolving pulp market and allegations of 'dumping' activities by Canadian producers are unsupported by the facts. Chinese VSF producers have petitioned to MOFCOM against the duty as being harmful to their businesses. The Company is evaluating its legal options to reverse the preliminary decision of MOFCOM. Fortress Specialty will initially have 10 days to submit a response to MOFCOM's preliminary determination. The Company is also preparing further submissions to be made to MOFCOM prior to its final determination and is reviewing the possibility of requesting a public hearing. MOFCOM's final determination is expected to be made in February 2014, unless the investigation period is further extended. If MOFCOM calculates a final dumping margin lower than 13%, any excess cash bonds paid on shipments during the interim period will be refunded. If the final dumping margin is higher than 13%, any outstanding cash bonds will be fully applied towards the formal import duty on imports subsequent to the final determination, however no additional amount will be payable for imports during the interim period.

Upon the completion of the investigation and MOFCOM's final determination, an application may be made by the Canadian Government to the World Trade Organization (WTO) to review MOFCOM's determination. WTO cases typically have a duration of approximately two years, inclusive of appeal processes. Although Fortress Paper believes that it has strong arguments against the imposition of a dumping duty, there is no assurance that it will be successful in reversing MOFCOM's preliminary determination or in securing the Canadian Government's support in commencing a WTO review.

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, our unaudited condensed consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2013 and the related notes thereon and our Management's Discussion and Analysis filed on SEDAR.

Three Months Ended September 30, 2013

Selected Financial Information and Statistics

(thousands of dollars, except shipments, unaudited)	Q3 2013	Q2 2013	Q3 2012
Sales from continuing operations	53,160	59,883	38,257
EBITDA from continuing operations[1]	(7,290)	(8,356)	(14,876)
EBITDA[2] [3]	(7,290)	(4,934)	(6,559)
Net loss from continuing operations	(13,427)	(20,851)	(24,051)
Net (loss) income [3]	(12,436)	134,125	(19,061)
Adjusted net loss from continuing operations [4]	(15,573)	(20,632)	(23,239)
Paper shipments (tonnes) [5]	1,856	1,953	1,207
Pulp shipments (ADMT)	31,258	38,006	30,561

(1) See Net Loss to EBITDA Reconciliation for Continuing Operations.

(2) See Net (Loss) Income to EBITDA Reconciliation including Discontinued Operations.

(3) Including discontinued operations.

(4) See Net Loss to Adjusted Net Loss Reconciliation for Continuing Operations.

(5) From continuing operations.

Net Loss to Adjusted Net Loss Reconciliation for Continuing Operations:

(thousands of dollars, except per share amounts, unaudited)	**Q3 2013**	**Q2 2013**	**Q3 2012**
Net loss	(13,427)	(20,851)	(24,051)
Foreign exchange loss (gain)	739	(534)	812
(Gain) loss on sale of property, plant and equipment	(4,135)	753	-
Legal provision	1,250	-	-
Adjusted net loss	(15,573)	(20,632)	(23,239)
Basic and diluted net loss per share	(0.92)	(1.43)	(1.67)
Adjusted net loss per share, basic and diluted	(1.07)	(1.42)	(1.61)

Net Loss to EBITDA Reconciliation for Continuing Operations:

(thousands of dollars, unaudited	**Q3 2013**	**Q2 2013**	**Q3 2012**
Net loss	(13,427)	(20,851)	(24,051)
Income tax	(611)	3,392	(3,390)
Foreign exchange loss (gain)	739	(534)	812
Net finance expense	4,021	3,944	4,227
Amortization	4,296	4,281	4,203
(Gain) loss on sale of property, plant and equipment	(4,135)	753	-
Legal provision	1,250	-	-
Dispute resolution accrual	-	-	1,346
Stock based compensation	577	659	1,977
EBITDA	(7,290)	(8,356)	(14,876)

Net (Loss) Income to EBITDA Reconciliation Including Discontinued Operations:

(thousands of dollars, unaudited)	**Q3 2013**	**Q2 2013**	**Q3 2012**
Net (loss) income	(12,436)	134,125	(19,061)
Income tax	(611)	3,951	(1,386)
Foreign exchange loss (gain)	739	(534)	834
Net finance expense	4,021	5,105	4,600
Amortization	4,296	4,281	5,131
Gain on disposal of business	(991)	(153,274)	-
(Gain) loss on sale of property, plant and equipment	(4,135)	753	-
Legal provision	1,250	-	-
Dispute resolution accrual	-	-	1,346
Stock based compensation	577	659	1,977
EBITDA	(7,290)	(4,934)	(6,559)

The Company

During the nine month period ended September 30, 2013, the Company operated internationally in three distinct business segments: the Dissolving Pulp Segment, the Security Paper Products

Segment, and the Specialty Papers Segment. The Specialty Papers Segment was sold on April 30, 2013. Accordingly, references in this news release to “discontinued operations” refer to the Specialty Papers Segment. The Company operates its dissolving pulp business through the Fortress Specialty Cellulose mill located in Canada. The mill expanded into the renewable energy generation sector in October 2013. The Company is also seeking to expand its dissolving pulp capacity with the 2012 acquisition of the Fortress Global Cellulose mill located at Lebel-sur-Quévillon, Québec, Canada, 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 through 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. The segmentation of the Company’s manufacturing operations is based on a number of factors, including production, production processes, and economic characteristics.

Conference Call

A conference call to discuss the financial results for the third quarter 2013 will be held on November 13, 2013 at 9:00 a.m. (PST). To participate in the conference call, please dial one of the following numbers:

North America: 1-855-353-9183
Vancouver: 604-681-8564
Calgary and international: 403-532-5601
Edmonton: 780-429-5820
Toronto: 416-623-0333
Ottawa: 613-212-0171
Montreal: 514-687-4017

Participant pass code: 15086#

Conference Reference Number: 1053825#

A replay of the conference call will be available for 30 days. To access the replay, listeners may dial 1-855-201-2300 from North America or 403-255-0697 International. The conference reference number is 1053825# and the participant pass code to access the replay is 15086 #.

Forward-Looking Statements

This news release contains certain forward-looking statements that reflect the current views and/or expectations of the Company with respect to its expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. The reader is cautioned that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Examples of such forward-looking statements contained in this news release include: growth and future prospects of our business; market conditions for dissolving pulp and our other products; expected returns on certain business segments; availability of funds for debt allocation; our perceptions of the industry and markets in which we operate and anticipated trends in such markets and in the countries in which we do business; the submission of a tender for a new power supply agreement; the securement of new purchase orders; expectations surrounding and resulting from the final determination in MOFCOM's anti-dumping investigation; benefits that may accrue to the Company as a result of certain acquisitions, dispositions, capital expenditure programs, equipment upgrades and maintenance shut-downs; and the anticipated benefits, cost, timing and completion dates for projects. Assumptions underlying the Company's expectations regarding forward-looking statements or information contained in this news release include, among others: that the Company will be able to effectively market its products; the ability of the Company to realize significant cost-savings from production improvements, cost reduction initiatives and the cogeneration facility at the Fortress Specialty Cellulose mill; that current depressed dissolving pulp prices are indicative of unusual market conditions and are not sustainable in the long term; that the supply of dissolving pulp will decrease significantly and lead to a price increase in the short to medium term; that the swing mill strategy at the Fortress Specialty Cellulose mill will maximize margins in response to changing market conditions; that the duty imposed by MOFCOM, if unchanged, may result in the supply of dissolving pulp decreasing significantly with a corresponding price increase in the short to medium term; that the adverse impact of any dumping tariff will be limited to the short-term; that the Landqart mill will continue operating on a consistent and regular basis in order to produce and deliver on its banknote orders; that the Landqart mill will secure new orders; the general stability of the economic, political and regulatory environments within the countries where the Company conducts operations; the ability of the Company to obtain financing (if necessary) on acceptable terms; that interest and foreign exchange rates will not vary materially from current levels; and that our equipment will operate at expected levels. Persons reading this news release are cautioned that forward-looking statements or information are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation: those relating to potential disruptions to production and delivery, in respect of the delivery of power at the cogeneration facility, including as a result of equipment failures, labour issues, the complex integration of processes and equipment and other factors; labour relations; failure to meet regulatory requirements; changes in the market; potential downturns in economic conditions; fluctuations in the price and supply of required materials; fluctuations in the market price for products sold; foreign exchange fluctuations; trade restrictions or import duties imposed by foreign governments, including the imposition of a final anti-dumping tariff on dissolving pulp exports into China; availability of financing (as necessary); dependence on major customers; and other risk factors detailed in our filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. The Company does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

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