

For Immediate Release



FORTRESS ANNOUNCES NEW DURASAFE® BANKNOTE CUSTOMER

VANCOUVER, British Columbia, June 8, 2017 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (TSX:FTP) is pleased to announce that the Central Bank of the Bahamas has chosen to use Durasafe®, the proprietary banknote substrate of Fortress Paper's wholly-owned subsidiary, Landqart AG ("**Landqart**"), for the two highest denomination banknotes of its "Crisp Evolution" series. The Company expects that Landqart will commence shipments in 2018.

Axel Wappler, Chief Executive Officer of Landqart, commented: "The choice of Durasafe® by the Central Bank of the Bahamas for its high denomination banknotes reflects the desire of this Central Bank to be at the forefront of currency technology and design, and underscores the superior capabilities of the Durasafe® substrate. We are delighted to have secured another customer for Durasafe® as we continue to expand our market share. With the announcement in March of Durasafe® shipments for a new customer in 2017, the Swiss 20 Franc note entering circulation in May, and the Swiss 50 Franc note winning two prestigious, international awards, we are building good momentum for this product."

Durasafe® is an innovative composite paper-polymer-paper banknote substrate developed by Landqart in cooperation with the Swiss Federal Institute of Technology (ETH) Zürich. Durasafe® is composed of two cotton paper outer layers with a fully transparent polymer core. The polymer core in Durasafe® adds stability and higher mechanical strength properties to banknotes as well as high security features. The substrate's unique properties allow windows to be formed virtually anywhere on the banknote and can contain a watermark and security fibres as well as traditional security features, including easy-to-recognise banknote paper tactility.

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:

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This press 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 statements comprising forward-looking

information 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 information. An example of such forward-looking information contained in this news release includes expectations surrounding timing for delivery of our product to the Landqart mill's new customer. Assumptions underlying the Company's expectations regarding forward-looking statements contained in this news release include, among others: that the Landqart mill will have capacity to produce the required amount of banknote substrate; and that the Landqart mill's equipment will operate at expected levels. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, that market conditions for security paper products will be unfavourable, that there will be unforeseen disruptions to production and delivery at the Landqart mill, and that the Company will be unable to produce its security paper products. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on forward-looking statements, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions for updating any voluntary forward looking statements, except as required by applicable securities law.