



FORTRESS PAPER ANNOUNCES THIRD QUARTER 2015 RESULTS

Vancouver, British Columbia, November 13, 2015 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) today announced results for the third quarter ended September 30, 2015. The Company reported operating EBITDA of \$5.5 million, an increase of \$1.4 million and \$7.0 million over the previous quarter and prior year comparative period, respectively. The Dissolving Pulp Segment (“Dissolving Pulp”) generated operating EBITDA of \$5.4 million and the Security Paper Products Segment (“Security Paper”) generated operating EBITDA of \$2.2 million. Corporate costs included in operating EBITDA were \$2.1 million.

“We were pleased to report another quarter of positive momentum and overall improvement in our operating EBITDA, led by Dissolving Pulp,” stated Yvon Pelletier, Chief Executive Officer. “In Dissolving Pulp, our ongoing efforts to diversify our end market exposure are gaining traction while market dynamics continue to show signs of improvement. In Security Paper, we had lower shipments compared to the prior quarter largely due to product mix and timing of sales. That said, the underlying improvement in Security Paper is encouraging and we continue to implement new initiatives to improve profitability. We are committed to building on the progress we have made during 2015 to expand our business and actively manage our cost base.”

Third Quarter 2015 Segment Results

Dissolving Pulp operating EBITDA was \$5.4 million for the third quarter of 2015, representing an improvement of \$3.3 million over the second quarter of 2015. The results for the quarter were impacted mainly by improved pricing, increased power generation under the additional power supply agreement with Hydro Québec, and favourable exchange rates. Dissolving Pulp operating EBITDA improved by \$6.6 million compared to the third quarter of 2014.

The Company sold 45,377 air dried metric tonnes (“ADMT”) of dissolving pulp in the third quarter of 2015 compared to 39,664 ADMT in the previous quarter of 2015. Pricing and industry conditions continued to improve. The Company is on target to reduce its dissolving pulp shipments to China by approximately 20% over the second half of the year as compared to the first six months of 2015.

Security Paper operating EBITDA was \$2.2 million for the third quarter of 2015, which was \$1.2 million lower when compared to the previous quarter, and \$1.1 million higher when compared to results in the third quarter of 2014. The Landqart mill sold 2,456 tonnes of security paper in the third quarter of 2015, compared to 2,745 tonnes in the second quarter of 2015. Security Paper operating EBITDA was primarily impacted by the timing of sales, product mix and fluctuations in foreign exchange rates; however, more efficient production and improved waste rates positively impacted Security Paper results relative to the prior year comparative period.

The Landqart mill is exposed to foreign currency exchange fluctuations, as a material amount of its sales are denominated in euros and its major costs, excluding raw materials, are denominated

in Swiss francs, as compared to competitors whose manufacturing costs are primarily denominated in euros. In response to the significant appreciation of the Swiss franc against the euro in the first quarter of 2015, management continues to implement the foreign exchange counter measure program, which includes mitigating foreign exchange impacts and reducing other costs in areas such as procurement and logistics.

For a summary of significant developments please refer to the Management's Discussion and Analysis for the three and nine month periods ended September 30, 2015 (available on SEDAR at www.sedar.com).

Conference Call

A conference call to discuss the financial results for the third quarter 2015 will be held on November 16, 2015 at 7:30 a.m. (PST). To participate in the conference call, please dial one of the following numbers:

604-681-8564 Vancouver
403-532-5601 Calgary or International
780-429-5820 Edmonton
416-623-0333 Toronto
613-212-0171 Ottawa
514-687-4017 Montreal

Toll Free Dial in Number: 1-855-353-9183 from Canada and USA

Participant pass code: 15086#

Conference Reference Number: 1187030#

A replay of the conference call will be available until midnight, December 15, 2015. To access the replay, listeners may dial 1-855-201-2300 from Canada or the USA or dial 403-255-0697 from local Calgary or International. The conference reference number is 1187030# and the participant pass code to access the replay is 15086#.

A presentation to complement our third quarter earnings conference call is available under the "Investor Relations" section at www.fortresspaper.com or by sending a request to info@fortresspaper.com

The Company

Fortress Paper operates internationally in two distinct business segments: dissolving pulp and security paper products. The Company operates its dissolving pulp business at the FSC 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.

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Company's condensed consolidated financial statements as at and for the three month period ended September 30, 2015 and the related notes thereto and Management's Discussion and Analysis, which are available on SEDAR.

Reference is made in this news release to operating EBITDA (defined as net income before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock-based compensation), which the Company considers to be an indicative measure of operating performance and a metric to evaluate profitability. Reference is also made to adjusted net loss (calculated as net loss less specific items affecting comparability with prior periods) and adjusted net loss per share (calculated as adjusted net loss divided by the weighted average number of shares outstanding in the period). Operating EBITDA, adjusted net loss and adjusted net loss per share are not generally accepted earnings measures and should not be considered as an alternative to net loss or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, the Company's operating EBITDA, adjusted net loss and adjusted net loss per share may not be directly comparable with similarly titled measures used by other companies. Reconciliations of operating EBITDA and adjusted net loss to net loss reported in accordance with IFRS are included below.

(thousands of dollars, except shipments, unaudited)	Q3 2015	Q2 2015	Q3 2014
Sales	85,169	74,028	80,374
Operating EBITDA (loss) ⁽¹⁾	5,533	4,051	(1,478)
Net loss from continuing operations	(5,178)	(7,497)	(5,869)
Adjusted net loss from continuing operations ⁽²⁾	(8,433)	(7,550)	(5,731)
Paper shipments (tonnes) ⁽³⁾	2,456	2,745	2,436
Pulp shipments (ADMT)	45,377	39,664	55,199

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

⁽²⁾ See Net Loss from Continuing Operations to Adjusted Net Loss Reconciliation.

⁽³⁾ From Continuing Operations.

Net Loss from Continuing Operations to Adjusted Net Loss Reconciliation from Continuing Operations:

(thousands of dollars, except per share amounts, unaudited)	Q3 2015	Q2 2015	Q3 2014
Net loss from continuing operations	(5,178)	(7,497)	(5,869)
Foreign exchange (gain) loss	(3,255)	(53)	138
Adjusted net loss from continuing operations	(8,433)	(7,550)	(5,731)
Basic and diluted net loss per share	(0.35)	(0.51)	(0.40)
Adjusted net loss per share, basic and diluted	(0.57)	(0.51)	(0.39)

Net Loss from Continuing Operations to Operating EBITDA Reconciliation:

(thousands of dollars, unaudited)	Q3 2015	Q2 2015	Q3 2014
Net loss from continuing operations	(5,178)	(7,497)	(5,869)
Income tax expense	8	46	37
Foreign exchange (gain) loss	(3,255)	(53)	138
Net finance expense	5,163	4,676	5,943
Amortization	7,292	7,270	7,249
Change in fair value of marketable securities	(954)	(518)	81
Transition expense	2,000	-	-
Stock based compensation	96	127	155
FGC expenses related to prior year	361	-	-
Gain on business disposal	-	-	(9,212)
Operating EBITDA (loss)	5,533	4,051	(1,478)

Forward-Looking Information

This news release contains certain forward-looking information that reflects 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 information is not a guarantee of future performance and involves 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. Accordingly, readers should not place undue reliance on forward-looking information, which is qualified entirely by this cautionary statement. Examples of such forward-looking information contained in this news release include statements relating to future prospects of the Company's business; market conditions for the Company's products; expected operational performance; and expectations relating to the Company's various initiatives, including the Company's intention and ability to reduce dissolving pulp shipments to China as a result of diversifying geographic sales mix. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the Company will be able to effectively market its products and successfully diversify geographic sales mix in order to reduce reliance on shipments to China; the ability of the Company to continue to realize significant cost-savings from production improvements, cost reduction initiatives and the cogeneration facility at the Fortress Specialty Cellulose Mill; that equipment will operate at expected levels; and that the Company's assumptions relating to dissolving pulp and related markets will be accurate. Persons reading this news release are cautioned that forward-looking information represents predictions only, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation, that market conditions for dissolving pulp will not improve or will worsen, the Company will not realize anticipated cost savings from its cost reduction initiatives, equipment will not operate as intended, the cogeneration facility will not operate as expected, there will be insufficient demand for the Company's products in other countries at prices acceptable to the Company, and other risk factors detailed in the Company's most recent Annual Information Form and other 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 update any forward-looking information, except as required by applicable securities law.

For further information please contact:

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