

For Immediate Release



FORTRESS PAPER ANNOUNCES NORMAL COURSE ISSUER BID

VANCOUVER, British Columbia, January 4, 2016 – Fortress Paper Ltd. ("**Fortress Paper**") (**TSX:FTP**) announced today that the Toronto Stock Exchange (the "**Exchange**") has accepted Fortress Paper's notice of intention to make a normal course issuer bid for its 6.5% convertible unsecured subordinated debentures due on December 31, 2016 (Trading Symbol: FTP.DB) (the "**6.5% Debentures**") and its 7.0% convertible unsecured subordinated debentures due on December 31, 2019 (Trading Symbol: FTP.DB.A) (the "**7.0% Debentures**") through the facilities of the Exchange. On January 6, 2016, Fortress Paper may commence making purchases, from time to time, up to a maximum of \$4,025,000 in principal amount of 6.5% Debentures and \$6,900,000 in principal amount of 7.0% Debentures, each of which represents 10% of the "public float" of such class of listed security within the meaning of the policies of the Exchange. As of December 31, 2015, there were \$40,250,000 principal amount of 6.5% Debentures issued and outstanding and \$69,000,000 principal amount of 7.0% Debentures issued and outstanding.

The bid will terminate on December 30, 2016 for the 6.5% Debentures and on January 5, 2017 for the 7.0% Debentures or earlier if Fortress Paper has completed its purchases of such debentures subject to the bid. Purchases may be suspended by Fortress Paper at any time and Fortress Paper reserves the right to terminate the bid earlier if it determines it is appropriate to do so. Fortress Paper has not acquired any 6.5% Debentures or 7.0% Debentures over the previous twelve months.

Fortress Paper believes that in view of the recent trading prices of the 6.5% Debentures and the 7.0% Debentures, and, depending on prices from time to time throughout the duration of the bid, the purchase of such debentures may represent an attractive use of funds to reduce Fortress Paper's ongoing interest expense and overall outstanding debt at below face value, thereby enhancing shareholder value. Any securities acquired will be purchased at the market price of up to a daily maximum of (i) \$6,000 in principal amount of 6.5% Debentures and (ii) \$6,000 in principal amount of 7.0% Debentures, representing 25% of the average daily trading volume of each respective security over the previous six months. Acquisitions of such securities will be subject to the block purchase exemption, and will be cancelled following purchase.

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 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.

For more information, please contact:

Fortress Paper Ltd.
604-904-2328 or info@fortresspaper.com

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