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News Release

For Immediate Release
October 9, 2018

Paper Excellence enters into agreement to purchase all shares of Catalyst Paper

Richmond, BC – Catalyst Paper Corporation (“Catalyst” or the “Company”) announced today that Paper Excellence Canada Holdings Corporation (“Paper Excellence”) and Catalyst have entered into an agreement under which Paper Excellence has agreed to acquire all of the issued and outstanding shares of the Company.

Paper Excellence is a BC-headquartered company with close to two million tonnes of pulp production capacity through five operating mills in Canada and two mills in France.

"When complete this transaction will benefit all of our stakeholders, including our customers, employees, suppliers, the communities where we operate, and BC's pulp and paper and forest products industries," said Ned Dwyer, Catalyst President and CEO.

The transaction will be effected by means of a corporate plan of arrangement under Catalyst's governing law and will require approval of the Supreme Court of British Columbia as well as the approval of at least two-thirds of the votes cast by Catalyst shareholders at a special meeting thereof. The transaction is expected to close by the end of the fourth quarter 2018 or early first quarter 2019, and is subject to the satisfaction of other customary closing conditions.

Shareholders holding approximately 87% of the outstanding common shares of the Company have entered into voting and support agreements pursuant to which they have agreed, subject to the terms of these agreements, to vote in favour of the transaction.

Houlihan Lokey is acting as exclusive financial advisor and investment banker to Catalyst Paper Corporation in the transaction. Stikeman Elliott LLP is acting as legal advisor to Catalyst Paper Corporation.

Reader Advisory

The completion and timing of the proposed transaction are based on a number of assumptions, including the timely receipt of all required shareholder, court and other approvals and the satisfaction of other closing conditions in accordance with the terms of the arrangement agreement. Completion of the transaction could be delayed if parties are unable to satisfy such conditions on the planned timeline planned. The transaction may not be completed if required approvals are not obtained or some other condition of closing is not satisfied.

About Catalyst

Catalyst Paper manufactures diverse papers such as coated and uncoated groundwood, newsprint, directory, packaging as well as market pulp. Customers include retailers, publishers, commercial printers and convertors in North America, Latin America, the Pacific Rim and Europe. Catalyst is headquartered in Richmond, British Columbia, Canada.

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For more information:

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