



For Immediate Release

MERCER INTERNATIONAL INC. ANNOUNCES DECISION IN NAFTA CLAIM

NEW YORK, NY, March 6, 2018 - Mercer International Inc. (Nasdaq: MERC, TSX: MERC.U) ("Mercer" or the "Company") announces that it has received the decision of the tribunal in respect of its previously announced claim against the Government of Canada under the North American Free Trade Agreement ("NAFTA").

In a split decision, a majority of the tribunal ruled that it lacked jurisdiction to decide certain of the Company's claims under NAFTA and, with respect to the Company's other NAFTA claims, that they were highly complex and technical and that it would be inappropriate for the tribunal to re-determine matters calling for specialist judgment and, as a result, there was no violation of NAFTA. As is customary in these matters, the tribunal awarded costs to Canada of approximately \$6.9 million.

Mercer had initiated its NAFTA claim against the Government of Canada in January 2012. The claim related to the Company's investment in the Celgar mill and arose from the treatment of the mill's energy generation assets and operations by the Province of British Columbia, primarily through the actions of B.C. Hydro and Power Authority, a provincially owned and controlled enterprise, and the British Columbia Utilities Commission, a provincial government regulatory agency. The basis of the claim was that the Celgar mill had received unfair and discriminatory treatment regarding its ability to purchase and sell energy compared to other pulp mills and entities that generate and sell electricity within the Province of British Columbia.

David Gandossi, President and CEO of Mercer, commented: "While we are disappointed in the outcome, we believe that it was important for the Company to bring this claim in order to seek the fair treatment of its investments in Canada. We thank the members of the tribunal for their time and effort in adjudicating this matter."

Mercer International Inc. is a global forest products company with operations in Germany and Canada with consolidated annual production capacity of 1.5 million tonnes of NBSK pulp and 550 million board feet of lumber. To obtain further information on the company, please visit its web site at <http://www.mercerint.com>.

APPROVED BY:

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