



For Immediate Release

MERCER INTERNATIONAL INC. EXPANDS SOLID WOOD AND EXTRACTIVES OPERATIONS

NEW YORK, NY, August 14, 2018 - Mercer International Inc. (Nasdaq: MERC) (the "**Company**") today announced that it has entered into an agreement to acquire the Santanol Group, which owns and leases approximately 2,500 hectares of existing Indian sandalwood plantations and a processing and extraction plant in North West Australia.

The proposed acquisition will expand the Company's operations to include plantation harvesting and the production of solid wood chemical extractives.

Indian sandalwood is a highly prized species and its harvested wood is sold for religious and decorative uses in Asia. In addition, oil is extracted from the wood and processed and sold by Santanol for several uses, including fragrances and cosmetics.

The proposed acquisition is subject to customary conditions, including, among others, receipt of requisite regulatory approval, and is expected to complete in or about the end of the third quarter of 2018.

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>.

The preceding includes forward looking statements, including statements regarding the expected completion of the proposed acquisition, our ability to integrate the Santanol Group with our existing business and realize upon potential synergies and capital upgrade opportunities. Words such as "expects", "anticipates", "projects", "intends", "designed", "will", "believes", "estimates", "may", "could" and variations of such words and similar expressions are intended to identify such forward-looking statements. Actual results and outcomes may differ materially from what is expressed or forecasted in these forward-looking statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Among those factors which could cause actual results to differ materially are the following: uncertainties as to the timing of completion of the proposed transaction, our ability to obtain required consents and approvals in connection with the transaction, we may not realize all or any of the expected synergies, the plantations may not be integrated successfully with our business or such integration may be more difficult, time-consuming or costly than expected, capital upgrades may not receive expected results, the highly cyclical nature of our business, raw material costs, our level of indebtedness, competition, foreign exchange and interest rate fluctuations, our use of derivatives, expenditures for capital projects, environmental regulation and compliance, disruptions to our production, market conditions and other risk factors listed from time to time in our SEC reports.

APPROVED BY:

Jimmy S.H. Lee
Executive Chairman of the Board
(604) 684-1099

David M. Gandossi, FCPA, FCA
President and Chief Executive Officer
(604) 684-1099