

KRUGER PRODUCTS BEGINS CONSTRUCTION OF ITS TISSUE PLANT IN SHERBROOKE

Sherbrooke, Québec, May 13, 2019 – KP Tissue Inc. (TSX: KPT) and Kruger Products L.P. today dedicated the construction site of their future Sherbrooke tissue plant that will be equipped with Canada’s most advanced and best-performing TAD technology. The official ground breaking ceremony was held in the presence of **Pierre Fitzgibbon**, Québec Minister of Economy and Innovation; **Geneviève Hébert**, Member for Saint-François and Deputy Government Whip; **Steve Lussier**, Mayor of Sherbrooke; **Nicole Bergeron**, Chair of the City of Sherbrooke’s Executive Committee and Councillor for the Brompton Borough; **Dino Bianco**, Chief Executive Officer, Kruger Products; and **Joseph Kruger II**, Chairman and Chief Executive Officer, Kruger Inc.

Located in the borough of Brompton, the new plant will be constructed on a site adjacent to an existing Kruger paper mill, along the Saint-François River. This \$575-million investment will create 180 jobs in Estrie, as well as some 1,700 direct and indirect jobs during the construction period that will end in 2021. In addition, a large number of local suppliers will be involved in this vast construction site that represents one million person-hours of work, which is equivalent to about 10% of person-hours worked annually in all of Québec’s industrial construction sector.

Kruger Products’ Sherbrooke Plant will include a through-air-dry (TAD) tissue machine, the world’s most advanced ultra-premium tissue manufacturing technology. TAD uses less fibre to obtain a bulkier, stronger ultra-premium product that is exceptionally soft and more absorbent. The Sherbrooke complex will also include converting lines.

Ultimately, the plant will manufacture approximately 70,000 metric tonnes a year of ultra-premium bathroom tissue and paper towels under the Cashmere®, SpongeTowels® and Purex® brands.

“We are very proud to strengthen Kruger Products’ presence in Québec with this large-scale project that will provide significant benefits to the Estrie region. What’s even more exciting is that the local know-how will shine across North America with products distributed throughout Canada and in the United States,” said Dino Bianco, Chief Operating Officer of Kruger Products.

Forward-Looking Statements

Certain statements in this press release about KPLP's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements in this press release include, but are not limited to, items such as: the undertaking of the project; the timing of commencement and commissioning of the project; the capacity of the TAD machine, the creation of new jobs; and KPLP's future business strategy. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. The forward-looking statements are based on certain key expectations and assumptions made by KPLP, including, but not limited to, expectations and assumptions concerning the satisfaction of conditions to Investissement Quebec's underwriting of the debenture and KPLP's ability to secure sources for the remaining construction debt financing on acceptable terms. Although KPLP believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that such expectations and assumptions will prove to be correct.

Many factors could cause KPLP's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors – Risks Related to KPLP's Business" section of the KPT Annual Information Form dated March 8, 2019 available on SEDAR at www.sedar.com: Kruger Inc.'s influence over KPLP; KPLP's reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the Memphis TAD machine; operational risks; Gatineau Plant land lease; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; KPLP's inability to innovate effectively; adverse economic conditions; dependence on key retail trade customers; damage to the reputation of KPLP or KPLP's brands; KPLP's sales being less than anticipated; KPLP's failure to implement its business and operating strategies; KPLP's obligation to make regular capital expenditures; KPLP's entering into unsuccessful acquisitions; KPLP's dependence on key personnel; KPLP's inability to retain its existing customers or obtain new customers; KPLP's loss of key suppliers; KPLP's failure to adequately protect its intellectual property rights; KPLP's reliance on third party intellectual property licenses; adverse litigation and other claims affecting KPLP; material expenditures due to comprehensive environmental regulation affecting KPLP's cash flow; KPLP's pension obligations are significant and can be materially higher than predicted if KPLP Management's underlying assumptions are incorrect; labour disputes adversely affecting KPLP's cost structure and KPLP's ability to run its plants; exchange rate and U.S. competitors; KPLP's inability to service all of its indebtedness; exposure to potential consumer product liability; covenant compliance; interest rate and refinancing risk; and risks relating to information technology, cyber-security, insurance, internal controls, and trade.

Readers should not place undue reliance on forward-looking statements made herein. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of press release, and KPLP undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

About KP Tissue Inc.

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP. KPT currently holds a 15.7% interest in KPLP. For more information visit www.kptissueinc.com.



Products

Press Release – page 3

About Kruger Products L.P.

Kruger Products L.P. is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPLP serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels® and Scotties®. In the U.S., KPLP manufactures the White Cloud® brand, as well as many private label products. The Away-From-Home division manufactures and distributes high-quality, cost-effective product solutions to a wide range of commercial and public entities. KPLP has approximately 2,500 employees and operates eight FSC® (FSC® C104904) certified plants in North America. For more information, visit www.krugerproducts.ca.

About Kruger Inc.

Kruger Inc., the parent company of Kruger Products L.P., is a third-generation family company headquartered in Montréal since 1904, the year it was established. Kruger Inc. is a major producer of tissue products; 100% recycled containerboard products; corrugated packaging; publication papers; specialty papers; renewable energy; cellulosic biomaterials; and wines and spirits. The Company is also a leader in paper and paperboard recycling in North America. Kruger Inc. has facilities in Québec, Ontario, British Columbia, and Newfoundland and Labrador, as well as in Tennessee, Maine, New York, Virginia and Rhode Island in the United States. (www.kruger.com).

INFORMATION:

Jean Majeau
Senior Vice President, Corporate Affairs and Communications
Kruger Inc.
Tel.: 514 343-3213
jean.majeau@kruger.com

INVESTORS:

Mike Baldesarra
Director of Investor Relations
KP Tissue Inc.
Tel.: 905 812-6962
IR@KPTissueinc.com