



**FORTRESS GLOBAL ENTERPRISES REPORTS THIRD QUARTER 2018 RESULTS AND
MANAGEMENT TRANSITION**

Vancouver, British Columbia, November 5, 2018

Third Quarter 2018 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2018 third quarter operating EBITDA from continuing operations of \$7.5 million compared to operating EBITDA from continuing operations of \$2.7 million in the previous quarter and operating EBITDA loss from continuing operations of \$1.6 million in the prior year comparative period. The Dissolving Pulp Segment generated operating EBITDA of \$9.0 million and the Bio-Products Segment generated operating EBITDA loss of \$0.4 million. Corporate costs were \$1.1 million in the third quarter of 2018.

Chadwick Wasilenkoff, Chief Executive Officer of Fortress Global Enterprises, commented: "This quarter saw significant operational progress with improving production throughout the quarter. Debottlenecking in the evaporator/concentrator section of the mill proved successful and has shown indicative signs that the mill's operations have more room for improvement. We received the fifth digester operating permit and expect the digester to have a positive impact on the fourth quarter operations. The fourth quarter shut was successfully completed on schedule with the previously announced 50% reduction in downtime and slightly under budget."

Management Transition

Giovanni Iadeluca will be promoted from President of the Company's wholly-owned subsidiary, Fortress Specialty Cellulose Inc. ("**FSC**"), to President and Chief Executive Officer of Fortress Global effective December 5, 2018 (the "**Effective Date**"). On the Effective Date, Mr. Iadeluca will replace Chadwick Wasilenkoff, who has tendered his resignation as President and Chief Executive Officer of the Company to pursue other opportunities. During the next month, Mr. Wasilenkoff will work with Mr. Iadeluca to facilitate the orderly transition of leadership. Mr. Wasilenkoff will remain as a director of the Company.

Joe Nemeth, the Company's Lead Director, commented: "The promotion of Mr. Iadeluca follows a robust succession planning process, and represents the Company's new primary focus on operational excellence. In his new role, Giovanni will be responsible for further improving the operating and financial performance of the Company and leading the Company's strategic direction. The board of directors of Fortress Global is pleased to welcome Mr. Iadeluca to this new role, and appreciates Mr. Wasilenkoff's commitment to the Company to ensure that the transition in senior management is accomplished efficiently and effectively. I would like to take

this opportunity to thank Mr. Wasilenkoff for his long and valued service to the Company since its inception. Under Chad's leadership, the Company completed a number of M&A transactions, completed many successful debt and equity financings and financial restructuring transactions, and expanded the Company's business into industries with significant growth potential, such as the Dissolving Pulp Segment and, most recently, the Bio-Products Segment."

Mr. Iadeluca commented: "I am very excited about this opportunity. I will bring enhanced focus on the operational performance of our mill, further augment our human capital, and seek to generate value for the Company and its stakeholders. I look forward to working with the Fortress Global team to realize the FSC Mill's full operational potential and to advance the Bio-Products Segment."

Mr. Iadeluca, who joined Fortress Global as President of FSC in October 2016, has over 20 years of senior management experience in the manufacturing industry and is a Chartered Professional Accountant. Prior to joining Fortress Global, Mr. Iadeluca was the Chief Executive Officer of AV Terrace Bay Inc. ("**Terrace Bay**"), a wholly owned subsidiary of the Aditya Birla Group. As Chief Executive Officer, he was responsible for the restart and turnaround of the Terrace Bay pulp and paper mill, which under Mr. Iadeluca's direction and leadership has seen material improvements in all metrics of operational and financial performance. Prior to his role with Terrace Bay, Mr. Iadeluca acted as Chief Executive Officer in two start-ups: Selenis Canada Inc. (a division of IMG Group), converting the facilities to produce polyethylene terephthalate (known as PET), and PTT PolyCanada LP (a division of Shell Canada Ltd.), a specialty polyester producer, where he initiated the launch of polytrimethylene terephthalate (also known as PTT).

In addition, Sylvain Filion has been promoted to mill manager at the FSC mill. Mr. Filion has been with the FSC mill since July 2018, and has over 16 years of experience in the pulp and paper industry. Prior to joining Fortress, Mr. Filion was plant manager in a biaxially oriented polypropylene (BOPP) film manufacturing plant owned by Inteplast Group, Ltd., a major manufacturer of integrated plastics in North America. Previously, Mr. Filion held positions as plant and production manager at various pulp and paper companies in Québec, including Les Entreprises Rolland Inc., Norampac, a division of Cascades Canada Inc., and Resolute Forest Products Inc. (formerly AbitibiBowater Inc.), where he worked for 11 years. Mr. Filion obtained a Master of Business Administration and a Bachelor of Chemical Engineering degree from Université Laval, and is a member of the Order of Engineers of Québec.

These changes reinforce the company's focus on operational excellence and will generate cost savings.

Third Quarter 2018 Segment Results

The Dissolving Pulp Segment generated operating EBITDA of \$9.0 million for the quarter ended September 30, 2018 which is the second best historical quarter at the FSC mill. Operating EBITDA was \$4.2 million for the quarter ended June 30, 2018 and operating EBITDA loss was \$0.5 million for the prior year comparative period. Following the unplanned shuts in July, the mill experienced much improved operations in August and September. Production volumes in the third quarter of 2018 increased approximately 6% compared to the second quarter of 2018 and 41% compared to the prior year period. The prior year production was impacted by operational challenges due to the auxiliary system failure at the FSC mill.

A total of 40,619 air dried metric tonnes ("ADMT") of dissolving pulp were produced in the third quarter of 2018 and the FSC mill sold 38,433 ADMT of dissolving pulp in the same period, compared to sales of 38,266 ADMT and 32,048 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

In the third quarter of 2018, the FSC mill's production costs, including amortization of some of the planned shutdown costs and the positive impact of the cogeneration facility, were improved by 13% compared to the second quarter of 2018 and improved by 18% relative to the prior year comparative period due primarily to productivity gains and lower variable costs. As a reminder, management stopped reporting cost per tonne in the first quarter of this year due to competitive reasons.

Dissolving pulp prices in 2018 have been relatively stable through 2018 maintaining favorable increases relative to the prior year. Prices have ranged from approximately \$1,206 (US\$920) to \$1,237 (US\$944) per tonne. Currently the price is \$1,237 (US\$944) per tonne, which is US\$14 higher year over year based on quoted US\$ pricing. Typical market cycle peak occurs in the fall, coinciding with downstream textile and viscose staple fibre ("VSF") market cycles. Dissolving pulp prices are likely also being supported by favorable paper pulp market pricing, which influences swing mill production towards paper pulp, and increases in Chinese VSF output. VSF pricing improved through September and October of 2018, however; VSF pricing has been impacted by increased capacity and is currently \$2,840 (US\$2,167) per tonne which is approximately 2% lower year over year (based on quoted US\$ pricing). Current low VSF inventory levels should help to stabilize pricing. VSF historically trades at a premium to cotton and has been supported by stronger cotton pricing over the past two years. Cotton sales from China's national reserve have reduced their stocks significantly during the past several years. Sales of reserve cotton in 2018 further reduced the Chinese stockpile by 2.5 million tonnes, which is expected to improve stability in the cotton market. Cotton ending stocks in China for 2018-2019 are projected to decline to 29.9 million bales, which is less than half the peak volume of 66.4 million bales reached in 2014-2015. Cotton ending stocks globally for 2018-2019 are projected to decline by 6.4 million bales to their lowest level since the 2011-2012 season. Population growth, particularly the middle class, continue to drive the worldwide demand for fibre which is expected to increase from 103 million tonnes to 114 million tonnes produced by 2020 as reported in "The Fiber Year 2018". Increased demand for fibre has resulted in increased prices and demand for textile feedstocks, including manmade materials, which continue to capture market share. VSF demand is expected to continue to grow by over 6% per year.

The Bio-Products Segment generated operating EBITDA loss of \$0.4 million during the third quarter of 2018. In Q3 2018, efforts focused on negotiating definitive funding agreements with various organizations within the federal and provincial governments for up to \$17.4 million of grant, equity and loan funding announced in July 2018; finalizing a Technology License and Collaboration Agreement with the major global food company; and securing additional non-dilutive funding. These initiatives are expected to be finalized in the fourth quarter of 2018 and the first quarter of 2019.

Corporate and Cash

Corporate expenses for the three months ended September 30, 2018 were \$1.1 million comparable to \$1.0 million in the previous quarter. Cash and restricted cash at September 30,

2018 was \$33.1 million compared to \$32.1 million at June 30, 2018. As at September 30, 2018, the Company had \$8.0 million in restricted cash.

For a summary of significant developments please refer to the Management's Discussion and Analysis for the three month period ended September 30, 2018 (available on SEDAR at www.sedar.com).

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Company's unaudited condensed consolidated financial statements as at and for the three month period ended September 30, 2018 and the related notes thereto and Management's Discussion and Analysis, which are available on SEDAR.

Reference is made in this news release to operating EBITDA (defined as net income before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock-based compensation), which the Company considers to be an indicative measure of operating performance and a metric to evaluate profitability. Operating EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to net loss or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating this measure, the Company's operating EBITDA may not be directly comparable with similarly titled measures used by other companies. Reconciliation of operating EBITDA to net loss reported in accordance with IFRS is included below.

Selected Financial Information and Statistics

<i>(thousands of dollars, except shipments, unaudited)</i>	Q3 2018	Q2 2018	Q3 2017
Sales from continuing operations	48,678	50,077	35,299
Operating EBITDA ⁽¹⁾ (loss) from continuing operations	7,545	2,652	(1,580)
Net loss from continuing operations	(4,702)	(8,150)	(14,316)
Pulp shipments (ADMT)	38,433	39,882	32,048

⁽¹⁾ See Net Loss to Operating EBITDA (Loss) Reconciliation from Continuing Operations.

A conference call to discuss the financial results for the Third quarter of 2018 will be held on November 6, 2018 at 6:00 a.m. (PST). To participate in the conference call, please dial one of the following numbers:

604-681-8564 Vancouver
 403-532-5601 Calgary or International
 780-429-5820 Edmonton
 416-623-0333 Toronto
 613-212-0171 Ottawa
 514-687-4017 Montreal

Toll Free Dial in Number: 1-855-353-9183 from Canada and USA

Participant pass code: 15086#

Conference Reference Number: 1238397#

A replay of the conference call will be available for 30 days. To access the replay, listeners may dial 1-855-201-2300 from North America or 403-255-0697 International. The conference reference number is 1238397# and the participant pass code to access the replay is 15086#.

A presentation to complement our third quarter earnings conference call is available under the “Financials” section at www.fortressge.com or by sending a request to info@fortressge.com.

Financial Reconciliations

Net Loss to Operating EBITDA (Loss) Reconciliation from Continuing Operations:

(thousands of dollars, unaudited)	Q3 2018	Q2 2018	Q3 2017
Net loss from continuing operations	(4,702)	(8,150)	(14,316)
Income tax recovery	-	-	(4)
Foreign exchange loss (gain)	1,272	(161)	(188)
Net finance expense	5,656	5,371	3,841
Amortization	5,566	5,477	6,564
Gain on financial instruments	(283)	(43)	(348)
Non-operating income	(204)	(129)	-
Stock-based compensation	240	287	280
Auxiliary system failure	-	-	2,591
Operating EBITDA (loss) from continuing operations	7,545	2,652	(1,580)

The Company

Fortress Global Enterprises operates its dissolving pulp business at the Fortress Specialty Cellulose mill located in Canada, which also operates in the renewable energy generation sector through its cogeneration facility. On March 26, 2018, the Company announced that it had acquired S2G which is included in the Bio-Products Segment. The segmentation of the Company's manufacturing operations is based on a number of factors, including production, production processes, and economic characteristics.

For more information, please contact:
Fortress Global Enterprises Inc.
604-904-2328 or info@fortressge.com

Forward-Looking Information

This news release contains certain forward-looking information that reflects the current views and/or expectations of the Company with respect to its expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. The reader is cautioned that forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those

anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information, which is qualified entirely by this cautionary statement. Examples of such forward-looking information contained in this news release include statements relating to: the growth and future prospects of the Company's business; market conditions for dissolving pulp, VSF and other products; expectations relating to repairs and other expenditures; the impact of certain projects, acquisitions, cost reductions, equipment upgrades and production improvement initiatives; and expectations relating to financing the xylitol project. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the Company will be able to effectively market its products; the ability of the Company to realize significant cost-savings from production improvements, projects and cost reduction initiatives; that equipment will operate at expected levels; that labour relations will remain positive; that the Company's assumptions relating to VSF, dissolving pulp and other markets will be materially accurate; and that the Company will be able to secure the necessary financing required to implement the xylitol project. Persons reading this news release are cautioned that forward-looking information represents predictions only, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation: that market conditions for dissolving pulp will not improve or will worsen; the Company will not realize anticipated cost savings from its cost reduction initiatives; equipment will not operate as intended and additional issues relating to equipment repairs will arise; there may be delays, cost overruns and financing or other impediments in implementing the xylitol project; and other risk factors detailed in the Company's most recent Annual Information Form and other filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. The Company does not undertake any obligation to update any forward-looking information, except as required by applicable securities law.