

For Immediate Release



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OTCQX: FTPLF

**FORTRESS SECURES FEDERAL AND QUEBEC GOVERNMENT SUPPORT FOR PLANNED
XYLITOL DEMONSTRATION PROJECT**

Vancouver, British Columbia, July 11, 2018

Fortress Global Enterprises Inc. (“Fortress” or the “Company”) is pleased to announce that the Governments of Canada and Quebec have committed up to \$17.4 million in investments, grants and loans to a new Fortress bioproducts subsidiary to support the construction of a \$33 million xylitol demonstration plant planned for Fortress’ dissolving pulp mill in Thurso, Quebec. The project is being developed by the newly created Fortress Advanced Bioproducts division (“FortressAB”), which was established to commercialize proprietary technology for the sustainable production of xylitol and other bioproducts.

“Demonstrating xylitol production builds on the Company’s Hemicellulose Project,” stated Chad Wasilenkoff, President and CEO of Fortress, “which has the goal of producing high value-added by-products from the hydrolysate separated from the liquor produced at the Fortress Specialty Cellulose (“FSC”) mill. We expect this to increase production, improve efficiency and create additional sources of revenue and margin for our dissolving pulp mill and our new bioproducts division.”

The Board of Directors of Sustainable Development Technology Canada (“SDTC”) has approved, subject to definitive documentation, \$10.4 million of funding for the xylitol project. SDTC helps Canadian entrepreneurs accelerate the development and deployment of globally competitive clean technology solutions. In addition, the Government of Quebec has agreed in principle to make a \$4.99 million equity investment and a \$2 million contingency loan through Investissement Québec (“IQ”) for a minority interest in Fortress Xylitol Inc., a FortressAB subsidiary that will implement the xylitol project. At closing, Fortress will make a matching \$5.01 million equity investment and \$2 million contingency loan for the project. The remaining funding required to finance the project is expected to be provided by other government sources and stakeholders, which will be announced in due course when commitments are received.

“We are extremely grateful for SDTC’s continued support and confidence in our proposed xylitol project and look forward to our partnership with IQ,” stated Mark Kirby, President of Fortress AB. “These contributions are key pieces of the \$33 million of funding required. Preparatory work is underway to meet the scheduled 2020 startup date, including Front End Engineering Design (FEED) and equipment specification for ordering long lead items. Once completed, the project will demonstrate how our proprietary technology produces low-cost xylitol with a significant reduction in greenhouse gas and other polluting emissions.”

FortressAB is commercializing its technology to convert hemicellulose sugars rinsed from wood chips into various biomaterials, with the primary product being xylitol, a low-calorie sweetener. Its process is expected to transform the FSC dissolving pulp mill into a “biorefinery” and help

shift the industrial chemical industry from its traditional dependence on fossil fuels to a sustainable future based on renewable organic materials. FortressAB's patent-pending process was developed at its pilot plant and lab facilities in Vancouver, BC with support from a major food products company, SDTC, the National Research Council and the British Columbia government. FortressAB's technology aims to reduce the lifecycle GHG emissions and water consumption associated with traditional xylitol production, while also delivering a lower-cost product. The project is intended to demonstrate FortressAB's ability to scale its technology for commercial production, and validate the economic benefits of the process, positioning Fortress to lead full-scale commercial deployment at the FSC mill and other locations around the world.

About Fortress Global Enterprises Inc. and Fortress Advanced Bioproducts Inc.

Fortress Global Enterprises Inc. operates its xylitol business through Fortress Advanced Bioproducts Inc., which has laboratory and pilot plant facilities in Vancouver, BC, Canada and will also operate a xylitol demonstration plant through Fortress Xylitol Inc. Fortress operates its dissolving pulp business at the Fortress Specialty Cellulose Inc. mill located in Thurso, Quebec, Canada, which also operates in the renewable energy generation sector through its cogeneration facility.

About Sustainable Development Technology Canada

Sustainable Development Technology Canada is a foundation created by the Government of Canada to advance clean technology innovation in Canada by funding and supporting small and medium-sized enterprises developing and demonstrating clean technology solutions.

About Investissement Québec

Investissement Québec's mission is to foster the growth of investment in Québec, thereby contributing to economic development and job creation in every region. The Corporation offers businesses a full range of financial solutions, including loans, loan guarantees and equity investments, to support companies at all stages of their development. It is also responsible for administering tax measures and prospecting for foreign investment.

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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, xylitol and other products; expectations relating to 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, xylitol 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 on satisfactory terms. 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.