For Immediate Release

TSX: FGE
OTCQX: FTPLF

FORTRESS GLOBAL ENTERPRISES REPORTS SECOND QUARTER 2018 RESULTS

Vancouver, British Columbia, August 7, 2018

Second Quarter 2018 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2018 second quarter operating EBITDA from continuing operations of $2.7 million compared to operating EBITDA loss from continuing operations of $1.4 million in the previous quarter and operating EBITDA from continuing operations of $1.5 million in the prior year comparative period. The Dissolving Pulp Segment generated operating EBITDA of $4.2 million and the Bio-Products Segment generated operating EBITDA loss of $0.5 million. Corporate costs were $1.6 million in the second quarter of 2018.

Chadwick Wasilenkoff, Chief Executive Officer of Fortress Global Enterprises, commented: "This quarter saw significant operational progress which was offset by issues that caused more downtime than planned. We have seen steady progress on the number of digester cooks per day, the tonnes per each of these cooks, and the daily megawatts of power produced. We are confident this progress will continue into the coming quarters which should provide additional economic benefits. We remain confident that we will receive the operating permit for the fifth digester in the third quarter which will help with a step-change improvement. The unplanned downtime enabled the mill to move up some planned third quarter shutdown activity to debottleneck a long term issue in the evaporator/concentrator area of the mill. Results derived from the work performed have proven to show meaningful benefits to date. We also experienced several power outages that affected the region, including our mill. The latest unplanned shuts in July were caused by issues within our recovery boiler which resulted in approximately 7 days of unplanned downtime at the FSC mill. Despite this challenge, the Thurso mill was EBITDA positive for the month. Along with the recovery boiler repair, we were able to accelerate numerous projects that were originally planned for our annual maintenance shut in the fourth quarter. Therefore, we now believe that we can reduce our annual planned shutdown by approximately 50%."

Second Quarter 2018 Segment Results

The Dissolving Pulp Segment generated operating EBITDA of $4.2 million for the quarter ended June 30, 2018, compared to operating EBITDA of $0.2 million for the quarter ended March 31, 2018 and operating EBITDA of $3.5 million for the prior year comparative period. The ramp up and optimization of the fifth digester continued in the second quarter of 2018. The receipt of the requisite permit required for commercial operation was previously expected by the end of the second quarter and is now expected in the third quarter of 2018 as we work through the permitting process. The fifth digester is expected to result in approximately 17,000 tonnes increased annualized production once operating as projected. Production volumes in the second quarter of 2018 increased approximately 12% from the first quarter of 2018.

A total of 38,266 air dried metric tonnes ("ADMT") of dissolving pulp were produced in the second quarter of 2018 and the FSC mill sold 39,882 ADMT of dissolving pulp in the same period, compared to sales of 33,144 ADMT and 34,672 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

Dissolving pulp prices in 2018 have been increasing through the second quarter of 2018 and currently the price is $1,214 (US$935) per tonne which is 11% higher year over year based on US$ quoted 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 increases in Chinese VSF output, and favorable paper pulp market pricing, which influences swing mill production towards paper pulp. VSF pricing has been impacted by increased capacity and is currently $2,668 (US$2,055) per tonne which is approximately 11% lower year over year based on US$ quoted 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. Sales of reserve cotton for 2018 began in April and are expected to further reduce the Chinese stockpile, which is expected to improve stability in the cotton market. Cotton ending stocks in China for 2018-2019 are projected to decline to 28.5 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 7.1 million bales to their lowest level since the 2011-2012 season. Population growth, particularly the middle class, continues to drive the worldwide demand for fibre (103 million tonnes) 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 $0.5 million. During the second quarter of 2018, the company successfully integrated the operations of S2G Biochemicals Inc. and made significant progress on our xylitol demonstration plant project planned for the Fortress Specialty Cellulose mill site. On May 1, 2018, the board of Sustainable Development Technologies Canada approved $10.4 million of grant funding for the project, subject to finalization of definitive agreements. In parallel, the Company secured support from the Government of Québec through Investissement Québec for an approximately $5 million equity investment for a 49% ownership position in Fortress Xylitol Inc., a new subsidiary established in Québec to install and operate the xylitol demonstration plant, and a further conditional loan of $2 million. Furthermore, on July 27, 2018, Natural Resources Canada announced that the Company's xylitol demonstration plant proposal was one of the shortlisted semi-finalists for its flagship Clean Growth Program. The Company is targeting to execute definitive agreements in the third quarter of 2018. Further announcements for the balance of funding are expected in the second half of 2018.

The xylitol demonstration plant project is estimated to require 18 months to engineer and build. The budget for the project is estimated at up to $33 million. This includes equipment procurement and installation, operating utilities and raw materials during the demonstration, engineering of a commercial plant, overhead and cash flow.

Corporate and Cash

Corporate expenses for the three months ended June 30, 2018 decreased by $1.0 million to $1.0 million compared to the prior year comparative period primarily due to a decrease in personnel costs and corporate activity. Cash and restricted cash at June 30, 2018 was $32.1 million compared to $37.8 million at March 31, 2018. As at June 30, 2018, the Company had $7.9 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 June 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 June 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

(thousands of dollars, except shipments, unaudited)	**Q2 2018**	**Q1 2018**	**Q2 2017**
Sales from continuing operations	50,077	39,735	42,808
Operating EBITDA[1] (loss) from continuing operations	2,652	(1,421)	1,468
Net loss from continuing operations	(8,150)	(8,762)	(5,075)
Pulp shipments (ADMT)	39,882	33,144	34,672

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

A conference call to discuss the financial results for the Second quarter of 2018 will be held on August 8, 2018 at 6:00 a.m. (PDT). 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: 1235322#

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 1235322# and the participant pass code to access the replay is 15086#.

A presentation to complement our second 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)	Q2 2018	Q1 2018	Q2 2017
Net loss from continuing operations	(8,150)	(8,762)	(5,075)
Income tax recovery	–	–	(17)
Foreign exchange (gain) loss	(161)	1,348	(3,508)
Net finance expense	5,371	543	3,860
Amortization	5,477	5,571	6,359
(Gain) loss on financial instruments	(43)	148	(427)
Non-operating income	(129)	(680)	–
Stock-based compensation	287	411	276
Operating EBITDA (loss) from continuing operations	2,652	(1,421)	1,468

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.

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.