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CARGOJET ANNOUNCES C$75 MILLION BOUGHT DEAL OFFERING OF 5.75% LISTED SENIOR UNSECURED HYBRID DEBENTURES

October 17, 2018

Mississauga (Ontario) Cargojet Inc. ("Cargojet" or the "Corporation") (TSX: CJT, CJT.A) is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by RBC Capital Markets and CIBC Capital Markets under which the underwriters have agreed to purchase C$75 million aggregate principal amount of listed senior unsecured hybrid debentures due April 30, 2024 (the "Debentures") at a price of C$1,000 per Debenture (the "Offering"). Cargojet has also granted the underwriters an option to purchase up to an additional C$11.25 million aggregate principal amount of Debentures, on the same terms and conditions, exercisable in whole or in part, for a period of 30 days following closing of the Offering. The Offering is expected to close on or about November 6, 2018.

The Debentures will be direct, senior unsecured obligations of the Corporation and will rank subordinate to all existing and future senior secured and other secured indebtedness of the Corporation, and will rank *pari passu* to all existing and future senior unsecured, and other unsecured and unsubordinated indebtedness of the Corporation. The Debentures will rank senior to the Corporation's 4.65% convertible unsecured subordinated debentures due December 31, 2021. The Debentures will bear interest at a rate of 5.75% per annum, payable semiannually in arrears on April 30 and October 31 of each year, with the first interest payment on April 30, 2019. The April 30, 2019 interest payment will represent accrued interest from the closing of the Offering, to but excluding April 30, 2019. The Debentures will mature on April 30, 2024.

The Debentures will not be redeemable by the Corporation prior to April 30, 2022. On or after April 30, 2022 and prior to April 30, 2023, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 40 days prior notice at a redemption price equal to 102.875% of the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after April 30, 2023 and prior to the Maturity Date, the Debentures may be redeemed in whole or in part at the option of the Corporation on not more than 60 days and not less than 40 days prior notice at a price equal to their principal amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Corporation has the option to satisfy its obligations to repay the principal amount of the Debentures, plus accrued and unpaid interest, due at redemption or maturity by issuing and delivering that number of freely tradeable Common Voting Shares and/or Variable Voting Shares, as applicable, in accordance with the terms of the indenture governing the Debentures.

The Corporation intends to use the net proceeds of the Offering to pay down the Corporation's revolving credit facility that has been drawn to support engine and aircraft purchases, and to free up capacity to fund anticipated capital expenditures, including aircraft, in the future.

"Cargojet continues to optimize our capital structure to allow continued growth as well as create additional shareholder value," said Ajay Virmani, Chief Executive Officer. "We continue to focus on developing opportunities in both the domestic and global markets. These proceeds will provide us the flexibility to further enhance our business and service our customers' requirements."

A preliminary short form prospectus will be filed with securities regulatory authorities in all provinces and territories of Canada, excluding Quebec. The Offering is subject to customary regulatory approvals, including the approval of the Toronto Stock Exchange.

The securities to be offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cargojet is Canada's leading provider of time sensitive overnight air cargo services and carries over 1,300,000 pounds of cargo each business night. Cargojet operates its network across North America each business night, utilizing a fleet of all-cargo aircraft.

For further information, please contact:

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Notice on Forward-Looking Statements:

Certain statements contained herein, including statements related to completion of the Offering and use of net proceeds of the Offering, constitute "forward-looking statements". Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "targeting," "suggests" and similar expressions. These forward-looking statements are based on current expectations and entail various risks and uncertainties. Reference should be made to the issuer's public filings available at www.sedar.com and at www.cargojet.com, including its most recent Annual Information Form filed with the Canadian securities regulators, and it's most recent Consolidated Financial Statements and Notes thereto and related Management's Discussion and Analysis (MD&A), for a summary of material risks. These risks are not intended to represent a complete list of the risks that could affect the issuer; however, these risks should be considered carefully. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The forward-looking statements contained herein describe the issuer's expectations at the date of this news release and, accordingly, are subject to change after such date. The issuer assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason, other than as required by applicable securities laws. In the event the issuer does update any forward-looking statement, no inference should be made that the issuer will make additional updates with respect to that statement, related matters, or any other forward-looking statement. Readers are cautioned not to place undue reliance on these forward-looking statements.