

News Release

ACE AVIATION REPORTS FIRST QUARTER RESULTS AND PROVIDES AN UPDATE ON ITS LIQUIDATION PROCESS

MONTREAL, May 29, 2014 – ACE Aviation Holdings Inc. (ACE) announced today its results for the first quarter of 2014, and provided an update with respect to its liquidation process.

2014 First Quarter Results

In the first quarter of 2014, ACE recorded an increase in net assets in liquidation of \$0.2 million due to interest income earned during the quarter offset by administrative and other expenses.

As at May 29, 2014, ACE's only remaining assets consist of cash and short-term investments in an aggregate amount of approximately \$133 million.

Liquidation Process

On June 28, 2012, further to the approval by ACE shareholders on April 25, 2012 of a special resolution providing for the voluntary liquidation of ACE, the Superior Court of Québec (Commercial Division) (the "**Court**") issued an order appointing Ernst & Young Inc. as liquidator of ACE (the "**Liquidator**").

Pursuant to an order issued by the Court on February 25, 2013, the Liquidator established a process for the identification, resolution and barring of claims and other contingent liabilities against ACE. Creditors had until May 13, 2013 to file their proof of claims, failing which their claims would be barred and extinguished. The interim unaudited consolidated financial statements of ACE for the three months ended March 31, 2014 and the related management's discussion and analysis include a description of proofs of claim which were filed and the current status of such claims and the liquidation process. The Liquidator will not proceed with any further distributions to shareholders pending satisfactory resolution of the ongoing liquidation matters described in the interim unaudited consolidated financial statements and any other contingencies that may arise during the course of the liquidation process.

Future distributions of ACE's remaining net cash to its shareholders are subject to the expiration or settlement of any contingencies and there is no certainty as to the timing or amount of such distributions. The final distribution to shareholders and the cancellation of the shares of ACE will not occur until all remaining contingent liabilities are settled or otherwise provided for.

As previously announced, effective as of June 28, 2012, all of the directors and officers of ACE resigned from their positions and the Liquidator was vested with the powers of the directors and the shareholders of ACE in accordance with the Canada Business Corporations Act and the Court order issued on June 28, 2012. Accordingly, ACE obtained an order from the Court on May 20, 2014 confirming that no annual shareholder meeting will be held in 2014 with respect to the financial year ended December 31, 2013. Shareholders who have questions or require additional information with respect to ACE and the liquidation process may contact the Liquidator by telephone (1-855-279-8388 or 416-943-4444) or by fax (1-416-943-3300).

For additional information with respect to the liquidation of ACE, refer to the management proxy circular dated March 9, 2012, the unaudited interim consolidated financial statements and related management's discussion and analysis for the three months ended March 31, 2014 and the other public filings of ACE which are available at www.sedar.com and www.aceaviation.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may contain forward-looking statements. Forward-looking statements may relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations, future actions, the timing of the liquidation, the final distribution to shareholders and the cancellation of the shares of ACE. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including without limitation, market, regulatory developments or proceedings, and actions by third parties as well as the factors identified throughout ACE's filings with securities regulators in Canada and, in particular, those identified in the Risk Factors section of ACE's 2013 Annual MD&A dated April 25, 2014. If ACE does not proceed with the winding-up in a timely manner, ACE will continue to incur operating costs and fees. The forward-looking statements contained in this news release represent ACE's expectations as of the date they are made, and are subject to change after such date. However, ACE disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

- 30 -

Contact: David Saldanha, Ernst & Young Inc. (416) 943-4444

Internet: www.aceaviation.com