

News Release

ACE AVIATION ANNOUNCES COURT APPROVAL FOR A \$115 MILLION CASH DISTRIBUTION TO SHAREHOLDERS

MONTREAL, May 8, 2015 – ACE Aviation Holdings Inc. (ACE.H) announced today that it has received Court approval for an interim cash distribution to shareholders in the aggregate amount of \$115 million (or approximately \$3.54 per share).

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 audited annual consolidated financial statements of ACE for the year ended December 31, 2014 and the related management's discussion and analysis, which were filed on SEDAR, include a description of proofs of claim that were received and the status thereof.

As at May 8, 2015, ACE's only remaining assets consist of cash and short-term investments in an aggregate amount of approximately \$133.8 million.

Court Approval for Interim Distribution to Shareholders

Given the results of the claims process and the expiry of a significant portion of the contingent obligations covered by proofs of claims filed in such process, the Liquidator sought Court approval for a cash distribution to shareholders of ACE in the aggregate amount of \$115 million (or approximately \$3.54 per share). The Court hearing was held on May 8, 2015 and the Court approved the distribution. The Liquidator posted a copy of the relevant application to the Court and Court order on its website at www.ey.com/ca/aceaviation.

The record date to determine shareholders entitled to receive the distribution will be May 26, 2015 and the payment for the distribution will be June 2, 2015.

This distribution is hereby designated as an eligible dividend for purposes of the Income Tax Act (Canada).

The common shares of ACE are listed on the NEX board of the TSX Venture Exchange. Given that the cash distribution represents more than 25% of the market value of ACE, the NEX board of the TSX Venture Exchange has determined that "Due Bill" trading procedures will apply to the distribution. Pursuant to such "Due Bill" trading procedures, trades of common shares of ACE entered into from the opening of trading on May 22, 2015 until and including the close of trading on June 2, 2015 will have a Due Bill attached which will allow the purchaser to receive the distribution

instead of the seller, even if such trades are settled after the May 26, 2015 record date. Investors who enter into trades to purchase common shares on or after the ex-distribution date of June 3, 2015 will not be entitled to the distribution. The Due Bills will be redeemed on June 5, 2015 once all trades with attached Due Bills entered into up to the close of trading on June 2, 2015 have settled.

Further to the distribution, ACE's only remaining assets will consist of cash and short-term investments in an aggregate amount of approximately \$18.8 million.

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.

Confirmation from the Court with respect to Shareholder Meeting

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 does not plan to hold an annual shareholder meeting in 2015 with respect to the financial year ended December 31, 2014. ACE sought and obtained confirmation from the Court that no such shareholder meeting shall be held. 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 audited consolidated financial statements and related management's discussion and analysis for the year ended December 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 timing, amount, record date, date of payment and ex-distribution date for further distributions to shareholders, the timing of Court hearings and Court approvals, 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 2014 Annual MD&A dated April 28, 2015. ACE will continue to incur operating costs and fees for the duration of the winding-up process. 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 -

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