

News Release

ACE AVIATION ANNOUNCES COURT APPROVAL FOR A \$12 MILLION CASH DISTRIBUTION TO SHAREHOLDERS

MONTREAL, June 1, 2016 – 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 \$12 million (or approximately \$0.36 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, 2015 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 June 1, 2016, ACE's only remaining assets consist of cash in an aggregate amount of approximately \$19 million.

Court Approval for Interim Distribution to Shareholders

Given the results of the claims process and the expiry of all 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 \$12 million (or approximately \$0.36 per share). The Court hearing was held on June 1, 2016 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 June 14, 2016 and the payment for the distribution will be June 22, 2016.

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 June 10, 2016 until and including the close of trading on June 22, 2016 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 June 14, 2016 record date. Investors who enter into trades to purchase common shares on or after the ex-distribution date of June 23, 2016 will not be entitled to the distribution. The Due Bills will be redeemed on June 27, 2016 once all trades with attached Due Bills entered into up to the close of trading on June 22, 2016 have settled.

Further to the distribution, ACE's only remaining assets will consist of cash in an aggregate amount of approximately \$7.0 million.

During the remainder of 2016, ACE will complete the remaining corporate, administrative and tax processes to facilitate its dissolution and the final distribution of the remaining cash of ACE prior to its dissolution. ACE currently expects that such final distribution and dissolution will occur within the next twelve months.

The final distribution to shareholders, the cancellation of the shares of ACE and the dissolution of ACE will not occur until all necessary corporate, administrative and tax measures to dissolve ACE are completed and until the settlement of any remaining contingencies that may arise in connection with the remaining liquidation and dissolution steps of ACE. There is no certainty as to the timing or amount of such final distribution and dissolution.

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 2016 with respect to the financial year ended December 31, 2015. ACE sought and obtained on June 1, 2016 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, 2015 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 completion of the remaining liquidation steps, the timing of the dissolution and 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 2015 Annual MD&A

dated April 29, 2016. ACE will continue to incur operating costs and fees for the remainder 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.

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