COMPOSITES INC.

ZCL Composites Reports Q4 and Fiscal 2015 Financial Results, Special Dividend and a 60% Increase in Quarterly Dividend

Edmonton, Alberta, March 2, 2016 – ZCL Composites Inc. (TSX: ZCL) today announced financial results for the fourth quarter and year ended December 31, 2015. ZCL also announced a special dividend and a 60% increase in the regular quarterly dividend.

Fiscal year 2015 compared with 2014

- Record revenue of $185.7 million, up $14.8 million or 9% from $170.8 million;
- Net income of $13.0 million or $0.43 per share (basic and diluted), down $3.3 million or 20% from $16.3 million or $0.54 per share (basic and fully diluted);
- Excluding certain one-time charges, net income was $16.2 million or $0.53 per share (basic and fully diluted), compared to $16.3 million or $0.54 per share (basic and fully diluted);
- Adjusted EBITDA of $26.5 million, down $0.6 million or 2% from $27.1 million;
- Backlog of $39.6 million, up $8.6 million or 28% from $31.0 million;
- Increase of the quarterly dividend to $0.08 per share, up 60% from $0.05 per share, to be paid on April 15, 2016 to shareholders of record on March 31, 2016; and
- Special dividend of $0.50 per share to be paid on March 31, 2016 to shareholders of record on March 15, 2016.

Q4 2015 compared with Q4 2014

- Revenue of $47.0 million, down $1.2 million or 3% from $48.2 million;
- Net income of $3.9 million or $0.13 per share (basic and fully diluted), down $1.0 million or $0.03 per share from $4.9 million or $0.16 per share (basic and fully diluted); and
- Adjusted EBITDA of $6.0 million, down $1.7 million or 22% from $7.7 million.

"ZCL delivered another successful year in 2015," said Ron Bachmeier, President and Chief Executive Officer. "In a year in which certain of our markets experienced some of the most challenging conditions ever encountered, we posted record revenue of $185.7 million, a 9% increase over 2014. We also achieved increases in gross profit and gross margin in our largest revenue source, the Underground operating segment, aided by a strong US dollar. These gains more than offset difficult market conditions for our Aboveground operating segment, particularly in the Oil Sands where we recorded a significant revenue decline and negative gross margins."

Special Dividend and Increase in Quarterly Dividend

"Given the strength of our business and our balance sheet, along with the significant net cash balance of $39.1 million at the end of 2015, ZCL's board has decided to substantially increase its distribution to shareholders through two initiatives: a one-time special dividend of $0.50 per share and a 60% increase in our quarterly dividend to $0.08 per share. The increase in our quarterly dividend is a reflection of our confidence in our ability to generate future funds from operations," said Ron Bachmeier, President and Chief Executive Officer.

Financial Results

Revenue for the year ended December 31, 2015 was a record $185.7 million, up $14.8 million or 9% from $170.8 million for the year ended December 31, 2014. Record revenue was generated in both the Petroleum and Water Product groups, both of which benefited from a strong US dollar; however this growth was partially offset by a decrease in the Corrosion Products group.

Gross profit for the year ended December 31, 2015 was $33.2 million, down $1.3 million or 4% from $34.5 million a year earlier. Gross margin was 18% of revenue for 2015, down from 20% a year earlier, with the decrease attributable to the Aboveground operating segment. Underground gross profit was $36.5 million or 23% of revenue, up $6.3 million from the prior year and representing the fifth consecutive year of gross margin increases in the Underground operating segment. Aboveground gross profit was negative $3.3 million and resulted from certain negative margin industrial corrosion projects early in the year, as well as low levels of activity throughout all Corrosion Products markets which impacted the ability to cover the fixed cost base of the manufacturing operations. In addition, costs of $0.5 million relating to the closure of the Montreal manufacturing facility negatively impacted the gross profit for this group.

Net income for the year ended December 31, 2015 was $13.0 million, down $3.3 million or 20% from $16.3 million a year earlier. When adjusted for one-time impairment charges and plant closure costs, net income was $16.2 million or $0.53 per diluted share compared with $16.3 million or $0.54 per share a year earlier.

Backlog

As of December 31, 2015, backlog was $39.6 million, up $8.6 million or 28% from $31.0 million a year earlier. The overall increase is attributable to the Underground Products group and a positive foreign exchange impact of US dollar denominated backlog, partially offset by a decrease in the Aboveground Products group backlog. In the Underground operating segment, backlog of $38.4 million was up $17.0 million or 79% compared to the same period in 2014. Both the Canadian and US operations saw significant increases in backlog relative to the prior year.

In the Aboveground operating segment, backlog is down significantly compared to a year earlier. Our Oil Sands customer backlog is very low at the end of December 2015, with only a few orders in backlog. Contributing to the decrease is a $1.2 million order that has been postponed indefinitely by one of our customers, and although the order has not been cancelled, we have removed it from our Aboveground backlog. Backlog from Industrial Corrosion markets and field services were down $4.2 million compared to the prior year due to lower activity in the Oil Sands and industrial markets.

Financial Position

At December 31, 2015, ZCL's balance sheet had working capital (current assets less current liabilities) of $76.8 million, up $13.9 million or 22% from $62.9 million at December 31, 2014. Net cash increased $13.0 million throughout the 2015 fiscal year to $39.1 million, primarily due to cash generated on funds from operations of $19.6 million. Return on capital employed remains strong at 26% for the year ended December 31, 2015.

2016 Outlook

ZCL expects continued growth opportunities in 2016 in the Petroleum and Water products groups; however, this will be partially offset by flat or lower revenues in the Aboveground segment due to low energy prices. For the first quarter of 2016, we anticipate the Underground operating segment will have a seasonally strong first quarter result, partially offset by low revenue and a negative margin in our Aboveground operating segment, and increased general and administration expenses due to higher professional fees.

Over the last five years, the Company has been able to grow revenue and earnings at a compound annual growth rate of 10%. We expect this is a sustainable trend; however achievement of this growth rate in any individual year is not assured.

Summary Financial Results

For the three months ended	2015				2014			
(in thousands of dollars, except per share amounts)	**Dec 31 $**	**Sep 30 $**	**Jun 30 $**	**Mar 31 $**	**Dec 31 $**	**Sep 30 $**	**Jun 30 $**	**Mar 31 $**
Revenue	46,974	59,842	46,664	32,195	48,195	49,361	41,687	31,592
Net income	3,885	5,205	3,400	509	4,895	5,557	4,492	1,372
Adjusted EBITDA	6,005	12,627	6,052	1,800	7,702	8,834	7,382	3,159
Basic earnings per share	0.13	0.17	0.11	0.02	0.16	0.19	0.15	0.05
Diluted earnings per share	0.13	0.17	0.11	0.02	0.16	0.18	0.15	0.05
Adjusted EBITDA per diluted share	0.20	0.41	0.20	0.06	0.25	0.29	0.24	0.10
Dividends declared per share	0.05	0.045	0.045	0.045	0.04	0.04	0.035	0.035

The Company's management's discussion and analysis ("MD&A") and consolidated financial statements for the years ended December 31, 2015 and 2014, are available on SEDAR at www.sedar.com and the ZCL website at this link: http://www.zcl.com/investor-relations/financials.html.

Conference Call

ZCL Composites Inc. has scheduled an investor conference call for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, March 3, 2016, to discuss its financial and operating results for the year and fourth quarter ended December 31, 2015. A slide presentation to accompany the investor conference call has been posted on the ZCL website at http://www.zcl.com/investor-relations/investor-events.html, as well as on the CNW website.

To access the conference call by telephone, please call (647) 427-7450 from the greater Toronto area, or dial toll free 888-231-8191 from elsewhere in North America. An audio webcast may be accessed through the *Investor Events* tab on the ZCL website at http://www.zcl.com/investor-relations/investor-events.html. Audio replays will be available on the ZCL website shortly after the conclusion of the conference call.

The conference call will include prepared remarks by ZCL's President and Chief Executive Officer, Ron Bachmeier and by ZCL's Chief Financial Officer, Kathy Demuth. After the prepared remarks, ZCL will accept questions from analysts and institutional investors. The public is invited to listen to the conference call in real time or by replay.

Note on Non-IFRS Measures:

ZCL uses both IFRS and non-IFRS measures to make strategic decisions and to set targets. Backlog, adjusted EBITDA, and net cash are non-IFRS measures that are used by ZCL and may not be comparable to similar measures used by other companies.

Backlog

Backlog is defined as the total value of orders that management has assessed as having a high certainty of being performed because of the existence of a contract or purchase order specifying the scope, value and timing of an order.

Adjusted EBITDA and adjusted EBITDA per diluted share

Adjusted EBITDA is defined as income from operations before finance expense, income taxes, share-based compensation, depreciation of property, plant and equipment, amortization of deferred development costs and intangible assets, gains or losses on sale of assets, and impairment of assets. Adjusted EBITDA per diluted share is defined as adjusted EBITDA divided by weighted average diluted shares outstanding.

Net cash

Net cash is defined as cash and cash equivalents less long term debt, current portion of long term debt, finance lease, current portion of finance lease, and bank indebtedness.

About ZCL Composites Inc.

Our vision is to be the leading global provider of environmentally friendly liquid storage, fluid handling and corrosion resistant industrial products that are **making a lasting difference**. More information about ZCL is available on our website at www.zcl.com.

Advisory Regarding Forward-Looking Statements

This document contains forward-looking statements under the heading "Outlook" and elsewhere concerning future events or the Company's future performance, including the Company's objectives or expectations for revenue and earnings growth, income taxes as a percentage of pre-tax income, business opportunities in the Petroleum Products, Water Products, Corrosion Products markets, efforts to reduce administrative and production costs, manage production levels, anticipated capital expenditure trends, activity in the petroleum and other industries and markets served by the Company and the sufficiency of cash flows and credit facilities available to cover normal operating and capital expenditures. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "potential," "targeting," "intend," "could," "might," "should," "believe" and similar expressions. Actual events or results may differ materially from those reflected in the Company's forward-looking statements due to a number of known and unknown risks, uncertainties and other factors affecting the Company's business and the industries the Company serves generally.

These factors include, but are not limited to, fluctuations in the level of capital expenditures in the Petroleum Products, Water Products, and Corrosion Products markets, drilling activity and oil and natural gas prices, and other factors that affect demand for the Company's products and services, industry competition, the need to effectively integrate acquired businesses, uncertainties as to the Company's ability to implement its business strategy effectively, political and economic conditions, the Company's ability to attract and retain key personnel, raw material and labour costs, fluctuations in the US dollar, euro and Canadian dollar exchange rates, and other risks and uncertainties described under the heading "Risk Factors" in the Company's most recent Annual Information Form, and elsewhere in this document and other documents filed with Canadian provincial securities authorities. These documents are available to the public at www.sedar.com. Unless otherwise indicated, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the reporting currency is in Canadian dollars.

In addition to the factors noted above, management cautions readers that the current economic environment could have a negative impact on the markets in which the Company operates and on the Company's ability to achieve its financial targets. Factors such as continuing global economic uncertainty, tighter lending standards, volatile capital markets, fluctuating commodity prices, and other factors could negatively impact the demand for the Company's products and the Company's ability to grow or sustain revenues and earnings. Fluctuations in conversion rates of the US dollar to Canadian dollar and euro to Canadian dollar also have the potential to impact the Company's revenues and earnings.

The Company believes that the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be unduly relied upon.

The forward-looking statements in this report speak only as of the date of this press release. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. For further information, please contact:

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