

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name MERCER INTERNATIONAL INC.		2 Issuer's employer identification number (EIN) 91-608755	
3 Name of contact for additional information RICHARD SHORT	4 Telephone No. of contact 604-639-5145	5 Email address of contact rshort@mercerint.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact #282-14900 Interurban Avenue South		7 City, town, or post office, state, and ZIP code of contact Seattle, WA 98168	
8 Date of action December 20, 2018		9 Classification and description Distribution - Common Shares	
10 CUSIP number 588056101	11 Serial number(s) N/A	12 Ticker symbol MERC	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

On the payable date of December 20, 2018, the issuer made a cash distribution of \$0.125 per share to shareholders of record as of December 13, 2018.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

The quantitative effect of the cash distribution on the shareholder's basis cannot be determined at this time since such effect depends on the issuer's calculation of current & accumulated earnings & profits. Current earnings & profits are calculated on a full calendar year basis, and information is not available to calculate earnings & profits until after the close of the year.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

The reduction in basis of each share is that portion of the distribution per share which is not a taxable dividend and is based on the issuer's calculation of current and accumulated earnings & profits. Current earnings & profits are calculated on a full calendar year basis, and information is not available to calculate earnings & profits until after the close of the calendar year.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRS - Sec. 301 (c) and Sec. 316 (a)

18 Can any resulting loss be recognized? ▶
N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
Reportable tax year 2018

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ December 20, 2018

Print your name ▶ Richard Short Title ▶ Vice President, Controller

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	