INTERCOMPANY AGREEMENT
(Undertaking Agreements)

AGREEMENT, dated as of December 20, 2007, made by ABITIBI-CONSOLIDATED INC. (together with its successors, "ACI"), and ABITIBI CONSOLIDATED SALES CORPORATION (together with its successors, "ACSC").

PRELIMINARY STATEMENTS

(A) ACI and ACSC have entered into a Purchase and Contribution Agreement dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "PCA") with Abitibi-Consolidated U.S. Funding Corp., a Delaware corporation ("Funding"), pursuant to which ACI and ACSC have transferred and may hereafter transfer Receivables and other financial assets to Funding, either by sale or, in the case of ACSC, by contribution to the capital of Funding.

(B) ACI, ACSC, Funding, Eureka Securitisation, plc ("Eureka"), Citibank, N.A. ("Citibank") and Citibank, N.A., London Branch, as agent (the "Agent") have entered into a Receivables Purchase Agreement dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "RPA", and, together with the PCA, the "Sale Agreements"), pursuant to which Funding has sold and may hereafter sell Receivables and other financial assets (or interests therein) to Eureka and/or the Banks party thereto.

(C) ACI has entered into that certain Undertaking Agreement (Originator) in favor of Funding dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Undertaking (Originator)").

(D) Funding has assigned all of its right, title and interest in and to the Undertaking (Originator) to the Agent pursuant to that certain Assignment of Undertaking Agreement (Originator) dated as of October 27, 2005.

(E) ACI has entered into that certain Undertaking Agreement (Servicer) in favor of Eureka, Citibank, the other Banks and the Agent dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Undertaking (Servicer)", and, together with the Undertaking (Originator), the "Undertakings").

(F) ACI has combined its operations with Bowater Incorporated and has undergone or will undergo those certain reorganisations (the "Reorganisation") contemplated in recital (D) and Annex I of that certain Amendment No. 5 to Receivables Purchase Agreement dated as of December 20, 2007 between the parties to the RPA.

NOW, THEREFORE, in consideration of the premises and in order to induce ACI to maintain the Undertakings, ACI and ACSC hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the RPA.

2. Performance and Observance of Obligations. ACSC hereby unconditionally and irrevocably undertakes and agrees with and for the benefit of ACI and its assigns to duly and punctually perform and observe all of the terms, covenants, conditions, agreements and undertakings on the part of ACSC (whether as Originator, Servicer or otherwise) to be performed or observed under the Sale Agreements or any document delivered in connection therewith in accordance with the terms thereof, including the punctual payment when due of all obligations of ACSC now or hereafter existing under the Sale Agreements, whether for deposit of Collections, indemnification payments, fees, expenses or otherwise (such terms, covenants, conditions, agreements, undertakings and other obligations being the "Obligations"). It shall not be a condition to the accrual of the obligation of ACSC hereunder to perform or observe any Obligation that ACI or its assigns shall have first made any request of or demand upon or given any notice to ACSC or its successors or assigns, or have instituted any action or proceeding against ACSC or its successors or assigns in respect thereof.

3. Power of Attorney. For the purpose of carrying out the provisions of this Agreement and to better enable ACI to perform and observe its obligations pursuant to the terms of the Undertakings, ACSC has duly executed and delivered to ACI concurrently herewith a power of attorney (the "Power of Attorney") in substantially the form attached hereto as Annex A. The power of attorney granted pursuant to the Power of Attorney is a power coupled with an interest and shall be irrevocable until the later of the RPA Final Payment Date and the date on which all Obligations have been paid or performed in full. As between ACI and ACSC, the powers conferred on ACI under the Power of Attorney shall not impose any duty upon ACI to exercise any such powers, provided, that nothing in this Section 3 shall limit the obligations of ACI to cause ACSC to perform and observe the Obligations or itself duly and punctually perform or observe the Obligations pursuant to the terms of the Undertakings. ACI agrees that, notwithstanding anything to the contrary in the Power of Attorney, it shall not exercise any power or authority granted under the Power of Attorney unless (i) ACSC shall fail in any manner whatsoever to perform or observe any of the Obligations when the same shall be required to be performed or observed under any Sale Agreement or any document delivered in connection therewith, or (ii) any other Event of Default (as defined below) shall have occurred and be continuing. NEITHER ACI NOR ANY OF ITS SUCCESSORS, ASSIGNEES, AGENTS OR REPRESENTATIVES SHALL BE RESPONSIBLE TO ACSC FOR ANY ACT OR FAILURE TO ACT UNDER THE POWER OF ATTORNEY, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, NOR FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

4. Obligations. ACSC undertakes that the Obligations will be performed or paid strictly in accordance with the terms of the Sale Agreements and any other document delivered in connection therewith.

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the recipient thereof or its assigns upon the insolvency, bankruptcy or reorganisation of ACSC or otherwise, all as though payment had not been made.

5. Waiver. ACSC hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations.

6. Subrogation. Until the later of the RPA Final Payment Date and the date on which all Obligations have been paid or performed in full, ACI agrees not to exercise or assert against ACSC or its property any rights of subrogation, indemnification, contribution or reimbursement which ACI may acquire in connection with this Agreement and any payments made hereunder, and regardless of whether such rights arise by operation of law, pursuant to contract or otherwise.

7. Representations and Warranties.

a. ACSC hereby represents and warrants as follows:

i. ACSC is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Delaware;

ii. the execution, delivery and performance by ACSC of this Agreement are within ACSC's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) ACSC's organizational documents or (ii) any law or any contractual restriction binding on or affecting ACSC;

iii. no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by ACSC of this Agreement; and

iv. this Agreement is the legal, valid and binding obligation of ACSC enforceable against ACSC in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (whether considered in a proceeding at law or in equity).

b. ACSC and ACI hereby agree that each of the representations and warranties of ACSC set forth in the Sale Agreements and each document delivered in connection therewith, each of which is hereby incorporated herein by reference, is true and correct in all respects, and ACI and its assigns shall be entitled to rely on each of them as if they were fully set forth herein.

8. Covenants. ACSC hereby (i) agrees that each of the covenants, agreements and undertakings of ACSC set forth in the Sale Agreements and each document delivered in connection therewith (such covenants, agreements and undertakings, the "Covenants") is hereby incorporated herein by reference, (ii) covenants and agrees that it will comply with each such Covenant, and (iii) agrees that ACI shall be entitled to rely on each of the Covenants as if fully set forth herein.

9. Events of Default. "Event of Default" means any of the following:

a. any representation or warranty made or deemed made by ACSC under or in connection with this Agreement shall prove to have been incorrect or untrue in any material respect as of the date when made or deemed made or delivered; or

b. ACSC shall fail to perform or observe any term, covenant or agreement contained in this Agreement; or

c. the occurrence of an Event of Termination, an Incipient Event of Termination or a Servicer Default on the part of ACSC under the RPA; or

d. the occurrence of an Event of Termination, an Incipient Event of Termination or a Servicer Default (as each such term is defined in the PCA) on the part of ACSC under the PCA.

10. Consent to Jurisdiction; Injunctive Relief; Waiver of Immunities.

a. ACSC hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to this Agreement, and ACSC hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. ACSC hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. ACSC agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this section shall affect the right of ACI or its assigns to bring any action or proceeding against ACSC or its property in the courts of any other jurisdictions.

b. ACSC acknowledges that any violation by ACSC of this Agreement may result in damage to ACI or its assigns that may be incapable of complete remedy by an award of monetary damages. Accordingly, any such violation will give ACI and its assigns the right to seek a court-ordered injunction (including provisional, interim, temporary and interloculatory) or other appropriate order to specifically enforce those covenants. In the event that ACI or its assigns shall obtain such a court-ordered injunction, ACSC agrees to pay ACI and its assigns as damages any reasonable expenses, including, but not limited to reasonable attorneys' fees, incurred in obtaining such specific enforcement (in addition to any other damages or relief to which ACI or its assigns may be entitled).

c. To the extent that ACSC has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, ACSC hereby irrevocably waives such immunity in respect of its obligations under this Agreement.

11. Amendments, Etc. No amendment or waiver of any provision of this Agreement or consent to any departure by ACSC herefrom shall be effective unless in a writing signed by ACI (and, in the case of any amendment, also signed by ACSC) and consented to in writing by the Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

12. Addresses for Notices. All notices and other communications hereunder shall be in writing (which shall include facsimile communication) and faxed or delivered to the applicable party at its address set forth on Schedule 1 attached hereto, in each case with copy to the Agent at its addresses set forth on such Schedule 1. Any party may change its address for service for the purposes of this Agreement by notice given in the foregoing manner. Notices and communications by facsimile shall be effective when sent, and notices and communications sent by other means shall be effective when received.

13. No Waiver; Remedies. No failure on the part of ACI or its assigns to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

14. Continuing Agreement; Assignments. This Agreement is a continuing agreement and shall (i) remain in full force and effect until the later of (x) the payment and performance in full of the Obligations and the payment of all other amounts payable under this Agreement and (y) the RPA Final Payment Date, (ii) be binding upon ACSC, its successors and assigns, and (iii) inure to the benefit of, and be enforceable by, ACI and its successors, transferees and assigns. ACI (and any assignee of ACI) may at any time assign any and all of its rights hereunder to any other person or entity without the consent of ACSC, whereupon (i) each reference herein to ACI shall mean and be a reference to such assignee and (ii) such assignee may enforce this Agreement to the fullest extent as if it were a named party hereto. Without

limiting the generality of the foregoing, ACSC acknowledges and consents to any assignment by ACI of all of ACI's right, title and interest in, to and under this Agreement to the Agent for the benefit of the Investors and the Banks party to the RPA.

15. Third Party Beneficiaries. Each of the parties hereto hereby acknowledges that Funding, the Agent and the Investors and Banks party to the RPA shall be third party beneficiaries of, and shall be entitled to enforce ACI's rights and remedies under, this Agreement to the same extent as if they were parties hereto.

16. Governing Law. This Agreement shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by, and construed in accordance with, the law of the State of New York without regard to any conflict of laws principles thereof that would call for the application of the laws of any other jurisdiction.

17. Execution by ACI. This Agreement shall be considered to be executed and delivered by ACI at White Plains, New York and once an authorized director or officer of ACI resident in the United Sates of America has executed the same.

18. Language. This Agreement and all related documents have been written in the English language at the express request of the parties. Le présent contrat ainsi que tous les documents s'y rattachant ont été rédigés en anglais à la demande expresse des parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of ACI and ACSC has caused this Agreement to be duly executed and delivered by its duly authorized officers as of the date first above written.

ABITIBI-CONSOLIDATED INC.

By: Pierre Rougeau
Title: Vice President
Name: Pierre Rougeau

By:
Title: Vice President and Secretary
Name: Allen Dea

ABITIBI-CONSOLIDATED SALES CORPORATION

By: ______________________
Title: President
Name: Breen Blaine

By: ______________________
Title: Vice President
Name: Colin Keeler

IN WITNESS WHEREOF, each of ACI and ACSC has caused this Agreement to be duly executed and delivered by its duly authorized officers as of the date first above written.

ABITIBI-CONSOLIDATED INC.

By: ______________________
Title: Vice President
Name: Pierre Rougeau

By: ______________________
Title: Vice President and Secretary
Name: Allen Dea

ABITIBI-CONSOLIDATED SALES CORPORATION

By: ______________________
Title: President
Name: Breen Blaine

By: ______________________
Title: Vice President
Name: Colin Keeler

ANNEX A

Form of Power of Attorney

This Power of Attorney is executed and delivered by ABITIBI CONSOLIDATED SALES CORPORATION, a Delaware corporation ("ACSC"), to ABITIBI-CONSOLIDATED INC. (together with its successors, "Attorney"). This Power of Attorney is delivered in connection with and pursuant to a certain Intercompany Agreement (Undertaking Agreements) dated as of even date herewith (as the same may be amended, modified, restated and/or supplemented from time to time, the "Intercompany Agreement"). No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required to inquire into or seek confirmation from ACSC as to the authority of Attorney to take any action described below, or as to the existence of or fulfillment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and ACSC irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity which acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest, and may not be revoked or cancelled by ACSC without Attorney's written consent.

ACSC hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as ACSC's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of ACSC and in the name of ACSC or in its own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Intercompany Agreement, and any and all agreements, documents and instruments executed, delivered or filed in connection therewith from time to time.

Without limiting the generality of the foregoing and subject to the terms and conditions of Section 3 of the Intercompany Agreement, ACSC hereby grants to Attorney the power and right, on behalf of ACSC, without notice to or assent by ACSC, to duly and punctually perform and observe all of the terms, covenants, conditions, agreements and undertakings on the part of ACSC to be performed or observed under (i) that certain Purchase and Contribution Agreement dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "PCA") among ACSC, Attorney and Abitibi Consolidated U. S. Funding Corp., a Delaware corporation ("Funding"), (ii) that certain Receivables Purchase Agreement dated as of October 27, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "RPA", and, together with the PCA, the "Sale Agreements") among ACSC, Attorney, Funding, Eureka Securitisation, plc, Citibank, N.A. and Citibank, N.A., London Branch, as agent or (iii) any document delivered in connection therewith in accordance with the terms of the Sale Agreements, including the punctual payment when due of all obligations of ACSC now or hereafter existing under the Sale Agreements, whether for deposit of collections, indemnification payments, fees, expenses or otherwise.

ACSC hereby ratifies, to the extent permitted by law, all that said Attorney shall lawfully do or cause to be done by virtue hereof.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Power of Attorney is duly executed on behalf of ACSC this 20th day of December, 2007.

ABITIBI-CONSOLIDATED SALES CORPORATION

By: ______________________
Title: President
Name: Breen Blaine

By: ______________________
Title: Vice President
Name: Colin Keeler

NOTARY PUBLIC CERTIFICATE

On this 20th day of December, 2007, each of Breen Blaine and Colin Keeler, who are each personally known to me, appeared before me in his/her capacity as the President and the Vice President, respectively, of Abitibi Consolidated Sales Corporation ("ACSC") and executed on behalf of ACSC the Power of Attorney in favor of Abitibi-Consolidated Inc., to which this Certificate is attached.

Ellen Girone
Notary Public

ELLEN GIRONE
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01GI5043913
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES MAY 15, 2011

SCHEDULE 1

Addresses

ACSC:	Abitibi Consolidated Sales Corporation 4 Gannett Drive White Plains, N.Y. 10604-3400 Attention: Breen Blaine Facsimile No.: 914-640-8917 With Copy To: Attention: Montréal Legal Department Facsimile No.: 514-394-3644
ACI:	ABITIBI-CONSOLIDATED INC 1155 METCALFE STREET SUITE 800 MONTREAL QC H3B 542 CANADA ATTENTION: TREASURY DEPARTMENT Facsimile No.: 514-394 2267
Agent:	Citibank, N.A., London Branch Citigroup Centre 33 Canada Square, 5th Floor Canary Wharf London E14 5LB England Attention: Nigel Kilvington Facsimile: 44-207-986-4705 With a copy to: 450 Mamaroneck Avenue Harrison, N.Y. 10528 Attention: Global Securitization Facsimile No.: 914 899-7890