

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant
to the
Companies' Creditors Arrangement Act)

IN THE MATTER of Section 18.6 of
the *Companies' Creditors Arrangement
Act*, R.S.C., c. C-36, as amended, and in
the matter of:

ABITIBIBOWATER INC.

And

ABITIBI-CONSOLIDATED INC.

And

BOWATER CANADIAN HOLDINGS
INC.

And

the other Petitioners listed on
Schedules "A", "B" and "C"

Petitioners

And

ERNST & YOUNG INC.

Monitor

MOTION FOR THE ISSUANCE OF A RECOGNITION ORDER
(DIP INTERIM ORDER)
(Section 18.6 of the *Companies' Creditors Arrangement Act* ("CCAA"))

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT,
SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL
DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT
THE FOLLOWING:

1. On April 17, 2009, this Court issued an Initial Order under sections 4, 5 and 11 of the CCAA and Sections 191 and ff. of the *Canada Business Corporations Act* R.S.C. 1985, c. C-44 (the "**Canadian Initial Order**"), pursuant to an application made by AbitibiBowater Inc. ("**ABH**"), Abitibi-Consolidated Inc. ("**ACI**"), Bowater Canadian Holdings Inc. and the Petitioners listed on Schedules "A", "B" and "C" to the Canadian Initial Order, the whole as appears from the record of the Court in this docket.
2. That same day, this Court also issued a recognition order (the "**Recognition Order**") of certain proceedings commenced under Chapter 11 of Title 11 of the United States Code before the United States Bankruptcy Court for the District of Delaware (the "**U.S. Proceedings**") by ABH and the Petitioners listed on Schedule "C" to the Initial Order (collectively, the "**18.6 Petitioners**"). The Recognition Order forms part of the Canadian Initial Order.
3. Pursuant to the Recognition Order issued by this Court, the U.S. Proceedings were declared to be foreign proceedings for the purposes of Section 18.6 CCAA and the stay of proceedings issued pursuant to the Canadian Initial Order was extended to the 18.6 Petitioners.
4. In anticipation of the U.S. Proceedings and of these CCAA proceedings, a *Senior Secured Superpriority Debtor-in-Possession Credit Agreement* was negotiated amongst ABH, Bowater Inc. and Bowater Canadian Forest Products Inc., as Borrowers, Avenue Investments L.P. and Fairfax Financial Holdings Limited. ("**FFH**") as Initial Lenders, such lenders as may be party to such Agreement from time to time and FFH as initial Administrative Agent and Collateral Agent (the "**BI DIP Credit Agreement**"). A copy of the BI DIP Credit Agreement was already communicated as Exhibit R-23 to the *Petition for the Issuance of an Initial Order* (the "**CCAA Petition**").
5. The BI DIP Credit Agreement was negotiated in order to, *inter alia*, finance the post-filing working capital requirements and general corporate purposes of the BI Group (as the term is defined in the CCAA Petition) (the "**BI DIP Facility**"). The most significant features of the BI DIP Facility are outlined at paragraphs 300 and following of the CCAA Petition.

6. On April 17, 2009, the United States Bankruptcy Court for the District of Delaware issued an Interim Order pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(1) (the "**U.S. Interim DIP Order**"), which said order, in respect of the BI DIP Facility and the BI DIP Credit Agreement, *inter alia* : (i) approved postpetition financing, (ii) authorized the use of cash collateral, (iii) granted liens and provided superpriority administrative expenses status, (iv) granted adequate protection, (v) modified the automatic stay, and (vi) scheduled a final hearing, the whole as appears from a copy of the U.S. Interim DIP Order communicated herewith as **Exhibit R-1**.
7. The authorizations and orders issued pursuant to the U.S. Interim DIP Order extend to a group defined therein as the "Bowater Petitioners" which said group includes, *inter alia*, ABH and the other 18.6 Petitioners.
8. The recognition of the U.S. Interim DIP Order was neither sought nor performed during the hearing on the application for the Canadian Initial Order, since the U.S. Interim DIP Order had yet to be rendered at the time the application for the Canadian Initial Order was heard by this Court.
9. Under the BI DIP Credit Agreement, the Borrowers must obtain, within three business days after the issuance of the Canadian Initial Order, a recognition order issued pursuant to Section 18.6 of the CCAA giving full force and effect to the U.S. Interim DIP Order. The failure to comply with this condition, pursuant to section 7.01(v) constitutes an event of default under the DIP Credit Agreement.
10. The Petitioners hereby seek the recognition of the US Interim DIP Order pursuant to Section 18.6 of the CCAA.
11. The Petitioners respectfully submit that this Petition should be granted in accordance with its conclusions.
12. The present Petition is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

1. **GRANT** the petition (the "**Petition**") of AbitibiBowater Inc. and the other Petitioners listed on Schedule "C" hereto (collectively, the "**18.6 Petitioners**") for an order (the "**Order**") under Section 18.6 of the *Companies' Creditors Arrangement Act*.
2. **EXEMPT** the 18.6 Petitioners from having to serve the present Petition and from any notice of presentation.

3. **ORDER AND DECLARE** that the Interim Order issued on April 17, 2009 by the United States Bankruptcy Court for the District of Delaware pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(1), filed as Exhibit P-1 to the Petition, which said order, in respect of the BI DIP facility and the BI DIP Credit Agreement (as such term is defined in the Initial Order issued by this Court on April 17, 2009 in the present matter), *inter alia*: (i) approved postpetition financing, (ii) authorized the use of cash collateral, (iii) granted liens and provided superpriority administrative expenses status, (iv) granted adequate protection, (v) modified the automatic stay, and (vi) scheduled a final hearing, is recognized and given full force and effect in all provinces and territories of Canada in respect of all 18.6 Petitioners including, for greater certainty, in respect of ABH, Bowater Inc. and Bowater Newsprint South LLC.
4. **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian Federal Court or administrative body and other nations and states to give effect to this Order and to assist the 18.6 Petitioners, Ernst & Young Inc. (the "**Monitor**") and their respective agents in carrying out the terms of this Order and any other Order in these proceedings. All Courts or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 18.6 Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to Abitibi-Consolidated Inc. and/or the Monitor in any foreign proceedings and to assist the 18.6 Petitioners and the Monitor and their respective agents in carrying out the terms of this Order and any other Order in these proceedings.
5. **ORDER** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

THE WHOLE WITHOUT COSTS, save and except in case of contestation.

Montréal, April 21, 2009


Stikeman Elliott LLP
Attorneys for the Petitioners

SCHEDULE "A"
ABITIBI PETITIONERS

1. Abitibi-Consolidated Inc.
2. Abitibi-Consolidated Company of Canada
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holdings Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.

SCHEDULE "B"

BOWATER PETITIONERS

1. Bowater Canadian Holdings Inc.
2. Bowater Canada Finance Corporation
3. Bowater Canadian Limited
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canixel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products (2001) Inc.
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

SCHEDULE "C"

18.6 CCAA Petitioners

1. AbitibiBowater Inc.
2. AbitibiBowater US Holding 1 Corp.
3. Bowater Ventures Inc.
4. Bowater Incorporated
5. Bowater Nuway Inc.
6. Bowater Nuway Mid-States Inc.
7. Catawba Property Holdings LLC
8. Bowater Finance Company Inc.
9. Bowater South American Holdings Incorporated
10. Bowater America Inc.
11. Lake Superior Forest Products Inc.
12. Bowater Newsprint South LLC
13. Bowater Newsprint South Operations LLC
14. Bowater Finance II, LLC
15. Bowater Alabama LLC
16. Coosa Pines Golf Club Holdings LLC

AFFIDAVIT

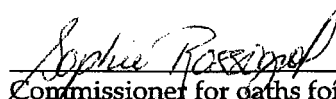
I, the undersigned, Allen Dea, having my principal place of business at Suite 800, 1155 Metcalf Street, Montréal, Quebec, H3B 5H2 solemnly declare the following:

1. I am the Vice President, Treasurer of AbitibiBowater Inc. and Abitibi-Consolidated Inc.;
2. All the facts alleged in the *Motion for the Issuance of a Recognition Order (DIP Interim Order)* (Section 18.6 of the Companies' Creditors Arrangement Act ("CCAA")) are true.

AND I HAVE SIGNED


ALLEN DEA

Solemnly declared before me at Montréal,
on the 21th day of April, 2009


avocate 2579154
Commissioner for oaths for all the
judicial districts of Québec

CANADA

**PROVINCE OF QUÉBEC
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NOTICE OF PRESENTATION

TO : SERVICE LIST

TAKE NOTICE that the Motion for the Issuance of a Recognition Order (DIP Interim Order) (Section 18.6 of the Companies' Creditors Arrangement Act ("CCAA")) will be presented for adjudication before one of the Honourable Judges of the Superior Court, sitting in practice in and for the District of Montreal, in Room 17.09 of the **Montreal Court House, 1 Notre-Dame St. East, on April 22, 2009, at 9:30 am** in the forenoon, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, April 21, 2009



STIKEMAN ELLIOTT LLP
Attorneys for Petitioners