

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 THE PLAN OF
COMPROMISE OR
ARRANGEMENT 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 AN ORDER EXTENDING THE STAY PERIOD (Sections 9 and 11 of the <i>Companies' Creditors Arrangement Act</i>, R.C.S. 1985 c. C-36)

TO THE HONOURABLE CLÉMENT GASCON J.S.C. OR TO ONE OF THE
HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN

COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF
MONTREAL, THE PETITIONERS RESPECTFULLY SUBMIT THE
FOLLOWING:

1. On April 17, 2009, this Honourable Court issued an order (as amended on April 22, May 6 and May 8, the "**Initial Order**") extending the protection of the *Companies' Creditors Arrangements Act* (the "**CCAA**") to Abitibi-Consolidated Inc. ("**ACI**") and the subsidiaries listed in Schedule "A" hereto (collectively with ACI, the "**Abitibi Petitioners**"), as well as to Bowater Canadian Holdings Incorporated ("**BCHI**") and the subsidiaries listed on Schedule "B" hereto (collectively with BCHI, the "**Bowater Petitioners**") (the Abitibi Petitioners and Bowater Petitioners are collectively referred to as the "**Petitioners**").
2. Pursuant to the Initial Order Ernst & Young Inc. was appointed as monitor of the Petitioners (the "**Monitor**") and a stay of proceedings (the "**Stay of Proceedings**") was issued until May 14, 2009 (the "**Stay Period**").
3. In addition to protecting the Petitioners, the Stay of Proceedings issued by this Court also extends to the following:
 - (a) AbitibiBowater Inc. ("**ABH**") and the petitioners listed on Schedule "C" hereto (collectively with ABH, the "**18.6 Petitioners**") which have filed proceedings under Section 18.6 of the CCAA in relation to the voluntary proceedings initiated by, *inter alia*, the 18.6 Petitioners under Chapter 11 of the U.S. Bankruptcy Code (the "**U.S. Proceedings**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"); and
 - (b) the entities listed on Schedule "D" hereto (the "**Partnerships**") which are not petitioners in these proceedings but which form an integral part of the business of the Petitioners.
4. The extension of the Stay Period in respect of the Petitioners, the 18.6 Petitioners and the Partnerships is hereby sought until September 4, 2009.
5. The Monitor has indicated that it will be filing its fifth report (the "**Monitor's Fifth Report**") which shall contain its recommendations and a review of the cash flow forecast of the Petitioners through and including September 4, 2009.
6. Since the issuance of the Initial Order, the Petitioners, the 18.6 Petitioners and the Partnerships have acted, and continue to act, in good faith and with due diligence.

7. The Petitioners have made and continue to make significant efforts to address the concerns of all stakeholders and in so doing, have resorted to seeking the assistance of this Court, including on the following occasions:
- (a) on April 22, 2009, this Court issued: (i) a Recognition Order (U.S. Interim DIP Order) under section 18.6 of the CCAA, recognizing an Interim Order issued on April 17, 2009 by the U.S. Court in the context of the U.S. Proceedings, which order approved a USD\$40 million debtor-in-possession loan facility in favour of certain Canadian Bowater entities (the "**Bowater DIP**"); and (ii) an Amended Initial Order which made corrections to the Initial Order;
 - (b) on May 6, 2009, following a contested hearing and three weeks of negotiations with several stakeholders, this Court rendered a Judgment on the Abitibi Petitioners' *Motion for Approval of a DIP Financing*, thereby approving a USD\$100 million super-priority loan from the Bank of Montreal, as DIP lender (the "**ACI DIP**") which is in turn guaranteed by Investissement Québec;
 - (c) on May 8, 2009, following a contested hearing, this Court rendered a Judgment on the Petitioners' *Motion for Authorization to Suspend Certain Payments to Pension Plans Maintained by the Petitioners*, thereby amending the Initial Order and ordering, *inter alia*, the Petitioners and the Partnerships not to make past service contributions to their funded pension plans;

the whole as appears from the Court record.

8. The extension of the Stay Period is necessary in order to provide the Petitioners an adequate period of time to complete the stabilization of their business which the recent approval of the ACI DIP has made possible, to deal with the maturity of the securitization facility and to commence negotiations with their stakeholders with a view to presenting a plan of compromise or arrangement under the CCAA. It is anticipated that the requested extension of the Stay Period until September 4, 2008 will afford the Petitioners an adequate period of time to make material progress towards that objective.
9. As appears from the cash flow forecast, the Petitioners are of the view that no creditor will suffer any undue prejudice by the extension of the Stay Period.

10. The Petitioners are of the view that extending the Stay Period to September 4, 2009 based upon the cash flow forecast to be reported upon in the Monitor's Fifth Report is appropriate in the present circumstances.
11. Based on the foregoing, the Petitioners pray this Court to further extend the Stay Period up to and including September 4, 2009, which date shall be the new Stay Termination Date, the whole subject to all the other terms of the Initial Order, as amended.
12. The Petitioners respectfully submit that the notices given of the presentation of the present Motion are proper and sufficient.
13. The present Motion is well founded in fact and in law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present Motion;

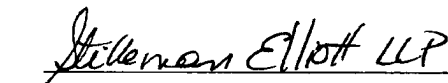
EXTEND the Stay Period (as defined in the Initial Order granted by this Court in this matter, as amended) until September 4, 2009 the whole subject to all the other terms of the Initial Order, as amended;

DECLARE that the notices given of the presentation of the present Motion are proper and sufficient;

ORDER the provisional execution of this Order to be rendered notwithstanding any appeal and without the necessity of furnishing any security.

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

Montréal, May 12, 2009


Stikeman Elliott LLP
Attorneys for the Petitioners

AFFIDAVIT

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

1. I am the Vice President, Secretary of Abitibi-Consolidated Inc. and the Vice President, Treasurer of AbitibiBowater Inc.;
2. All the facts alleged in the *Motion for an Order Extending the Stay Period* pursuant to Sections 9 and 11 of the *Companies' Creditors Arrangement Act*, R.C.S. 1985 c. C-36, are true.

AND I HAVE SIGNED



ALLEN DEA

Solemnly declared before me at Montréal,
on the 12th day of May, 2009

Sophie Rosignol *avocate* 25791534
Commissioner for oaths for all the
judicial districts of Québec

NOTICE OF PRESENTATION

TO : SERVICE LIST

TAKE NOTICE that the the *Motion for an Order Extending the Stay Period* will be presented for adjudication before one of the Honourable Judges of the Superior Court, sitting in Commercial Division in and for the District of Montreal, in room 16.12 of the Montreal Court House, 1 Notre-Dame St. East, on **May 14, 2009**, at 9:15 in the forenoon, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, May 12, 2009


STIKEMAN ELLIOTT LLP
Attorneys for 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

SCHEDULE "D"

PARTNERSHIPS

1. Bowater Canada Finance Limited Partnership
2. Bowater Pulp and Paper Canada Holdings Limited Partnership
3. Abitibi-Consolidated Finance LP

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PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement
of:

ABITIBOWATER INC. *and al*

- and -

Petitioners

ERNST & YOUNG INC.

Monitor

BS0350

η/dos.: 041053-1170

MOTION FOR AN ORDER EXTENDING THE STAY
PERIOD (Sections 9 and 11 of the *Companies'*
Creditors Arrangement Act, R.C.S. 1985 c. C-36)

ORIGINAL

Me Guy P. Martel (514) 397-3163
Fax : (514) 397-3493

STIKEMAN ELLIOTT
Stikeman Elliott S.E.N.C.R.L., s.r.l. AVOCATS
40^e Étage
1155, boul. René-Lévesque Ouest
Montréal, Canada H3B 3V2