AMENDMENTS TO THE INITIAL ORDER TO BE REQUESTED ON JUNE 15

RE: SECURITIZATION REPLACEMENT FACILITY

Securitization Program

[29] **ORDERS** that ACI is authorized and empowered to enter into an amended and restated guaranteed receivables purchase program (the "**Amended and Restated Receivables Purchase Program**") and enter into the Amended Securitization Program Agreements (as defined in paragraph 30 hereto), including the following, and the Amended Securitization Program Agreements are hereby expressly ratified and approved:

a) an Amended and Restated Receivables Purchase Agreement (the "**ARRPA**"), substantially in accordance with the term sheet (the "**Term Sheet**") attached to that certain engagement letter (the "**Citibank Engagement Letter**") dated May 18, 2009, by and between Citibank N.A. ("**Citibank**"), ACI and Abitibi-Consolidated U.S. Funding Corp. ("**ACI Funding**") as well as to that certain engagement letter (the "**Barclays Engagement Letter**") dated May 18, 2009, by and between Barclays Capital Inc. ("**Barclays**"), ACI and ACI Funding, which said ARRPA shall amend and restate that certain Amended and Restated Receivables Purchase Agreement, dated as of January 31, 2008 (as heretofore amended, the "**Existing RPA**"), **Exhibit R-17** in support of the Petition, among ACI Funding, Eureka Securitisation, plc ("**Eureka**"), Citibank, Citibank, N.A., London Branch (along with any successor thereto, the "**Agent**"), ACI, in its capacity as Subservicer and an Originator, and Abitibi-Consolidated Sales Corporation ("**ACSC**"), in its capacity as Servicer and an Originator;

b) an Amended and Restated Purchase and Contribution Agreement (the "**ARPCA**"), which said ARPCA shall amend and restate that certain Amended and Restated Purchase and Contribution Agreement, dated as of January 31, 2008 (as heretofore amended, the "**Existing PCA**"), **Exhibit R-16** in support of the Petition, among ACI and ACSC as Sellers and ACI Funding as Purchaser in order to make certain changes to the Existing PCA in connection with the entry into, and implementation and effectuation of the Amended and Restated Receivable Purchase Program (the terms "**Receivables**" and "**Related Security**" shall have the meanings attributed thereto in the ARPCA);

c) a Guaranty and Undertaking Agreement (the "**Guarantee Agreement**") substantially in accordance with the Term Sheet among ACI, Citibank and the various guarantors thereto, to be entered into in connection with the entry into, implementation and effectuation of the Amended and Restated Securitization Program;

d) such other ancillary documentation as may be required or desirable in connection with the entry into, implementation and effectuation of the Amended and Restated Receivables Purchase Program, in each case substantially in accordance with the Term Sheet (as amended and restated, collectively referred to with the ARRPA, the ARPCA and the Guarantee Agreement as the "**Receivables Agreements**");

copies of the Citibank Engagement Letter and the Barclays Engagement Letter have been communicated, respectively, as **Exhibits R-1** and **R-2** to Petitioners' Motion for an Order Authorizing a Replacement Securitization Facility and to Amend the Initial Order.

[30] **ORDERS** that ACI is hereby directed, authorized and empowered to perform or continue to perform its obligations, including the sale and servicing of Receivables and all Related Security, under the Receivables Agreements and under the following agreements to which it is a party (as amended and restated, the "**Financing Agreements**" and collectively with the Receivables Agreements, the "**Amended Securitization Program Agreements**"):

a) the Undertaking Agreement (Servicer) dated as of October 27, 2005 by ACI in favour of Eureka, Citibank and the other Banks (as defined in the Existing RPA) that are party to the Existing RPA, as amended;

b) the Undertaking Agreement (Originator) dated as of October 27, 2005 by ACI in favour of ACI Funding, as amended;

c) the Deposit Account Control Agreement dated as of January 31, 2008 among ACI Funding, ACI, ACSC, Citibank and the Agent;

d) the Blocked Accounts Agreement dated as of October 27, 2005 among ACI, ACSC, the Agent, Royal Bank of Canada and ACI Funding;

e) the Agreement Re: Pledged Deposit Accounts dated as of October 27, 2005 among ACSC, ACI, ACI Funding, the Agent and LaSalle Bank National Association;

f) the Third Amended and Restated Four Party Agreement for Sold Accounts (General) substantially in accordance with the Term Sheet, amending that certain Second Amended and Restated Four Party Agreement for Sold Accounts (General) dated as of January 31, 2008 among Export Development Canada and Compagnie Française d'Assurance pour le Commerce Extérieur - Canada Branch, ACI, ACI Funding, the Agent and Citibank;

g) the Intercompany Agreement dated as of December 20, 2007 between ACI and ACSC;

h) the Accounts Receivable Policy (Shipments) General Terms and Conditions, plus the Coverage Certificate effective September 1, 2008 (together with all schedules and endorsements thereto) issued by Export Development Canada and Compagnie Française d'Assurance pour le Commerce Extérieur - Canada Branch to ACI.

[31] **ORDERS** that (i) ACI is hereby authorized and empowered to continue selling the relevant Receivables and Related Security to ACI Funding pursuant to and in accordance with the Amended Securitization Program Agreements, and such sale shall continue to be and be free and clear of any lien, claims, charges or encumbrances and other interests of any of ACI, ACSC, the Petitioners or their respective creditors, including any charges created pursuant to this Order, and (ii) the Abitibi Petitioners are hereby authorized and empowered to use the collateral, including cash collateral, of the Lenders under that certain Credit and Guaranty Agreement dated as at April 1, 2008 among, *inter alia*, ACCC as borrower, ACI as guarantor, the other guarantors party thereto, the lenders from time to time party thereto (the "**ACCC Term Lenders**") and Wells Fargo Bank, N.A. (as successor-in-interest to Goldman Sachs Credit Partners L.P., in its capacity as administrative agent and collateral agent, the "**ACCC Term Agent**").

[31.1] **ORDERS** that ACI is hereby authorized and empowered to continue fulfilling its obligations under the Existing RPA, the Existing PCA and the Financing Documents, including but not limited to, the sale of relevant Receivables and Related Security, until such date as the Amended Securitization Program Agreements are in effect.

[31.2] **ORDERS** that should ACSC pay any interest to the ACCC Term Agent for the benefit of the ACCC Term Lenders or any fees and expenses of advisors to the ACCC Term Agent, such amounts shall be set off and compensated each month without regard to reciprocity against post-petition amounts owed by ACSC to any of ACI or ACCC for inventory purchased on credit from any of ACI or ACCC.

[32] **DECLARES** that the transfers by ACI of its Receivables and Related Security to ACI Funding under the ARPCA shall constitute and continue to constitute true sales under applicable non-bankruptcy law and are hereby deemed true sales and were and will be for fair consideration. Upon the transfer of the Receivables to ACI Funding, the Receivables and Related Security did (with respect to transfers occurring prior to the date hereof) and will (with respect to transfers occurring on or after the date hereof) become the sole property of ACI Funding, and none of the Petitioners, nor any creditors of the Petitioners, shall retain any ownership rights, claims, liens or interests in or to the Receivables and Related Security, or any proceeds therefrom including, without limitation, pursuant to any theory of substantive consolidation or otherwise.

[33] **DECLARES** that each Amended Securitization Program Agreement constituted and continues to constitute a valid and binding obligation of ACI, enforceable against ACI in accordance with its terms and that the terms and conditions of the Amended Securitization Program Agreements have been negotiated in good faith and at arm's

length and the transfers made or to be made and the obligations incurred or to be incurred thereunder shall be deemed to have been made for fair or reasonably equivalent value and in good faith.

[34] **DECLARES** that upon their transfer by ACI pursuant to the Amended Securitization Program Agreements, neither the Receivables nor the Related Security, nor the proceeds thereof, shall constitute property of the patrimonies of any of the Petitioners or their affiliates, including notwithstanding any intentional or inadvertent deposit of any proceeds of the Receivables in bank accounts owned or controlled by any of the Petitioners or their affiliates.

[35] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein; (ii) any bankruptcy application or bankruptcy motion filed pursuant to the BIA in respect of the Petitioners and any bankruptcy order or any assignment in bankruptcy made or deemed to be made in respect of the Petitioners; (iii) proceedings taken by ACI under Chapter 15 of Title 11 of The United States Code ("**ACI's Chapter 15 Proceedings**"); or (iv) the provisions of any federal or provincial statute, the transfers of Receivables and Related Security made by ACI pursuant to the Amended Securitization Program Agreements and this Order did not, and on or after April 17, 2009, do not and will not, constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

[36] **DECLARES** that the performance by ACI, ACSC and ACI Funding of their respective obligations under the Amended Securitization Program Agreements, and the consummation of the transactions contemplated by the Amended Securitization Program Agreements, and the conduct by ACI, ACSC and ACI Funding of their respective businesses, whether occurring prior to or subsequent to the date hereof did not, on or after April 17, 2009, do not, and shall not, provide a basis for a substantive consolidation of the assets and liabilities of ACI and ACSC, or any of them, with the assets and liabilities of ACI Funding or a finding that the separate corporate identities of ACI, ACSC and ACI Funding may be ignored. Notwithstanding any other provision of this Order, the Agent, Citibank and the other parties thereto have agreed to enter into the Amended Securitization Program Agreements in express reliance on ACI Funding being a separate and distinct legal entity, with assets and liabilities separate and distinct from those of any of the Petitioners.

[37] **DECLARES** that the transfers of Receivables and Related Security by ACI pursuant to the Amended Securitization Program Agreements and this Order shall continue to be valid and enforceable as against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioners, for all purposes.

[38] **DECLARES**, for greater certainty, that the Facility Termination Date and the Commitment Termination Date (as each is defined in the Existing RPA or Existing PCA or in the ARRPA or ARPCA) have not occurred as a consequence of the commencement of these proceedings, the U.S. Proceedings, ACI's Chapter 15 Proceedings or the taking of corporate actions by ACI or ACSC to approve such proceedings, or the failure of ACI or

ACSC to pay any debts that are otherwise stayed by any of the foregoing or the written admission by ACI or ACSC of its inability to pay such debts.

[39] **ORDERS AND DECLARES** that collections of Receivables and other funds which are subject to the Deposit Account Control Agreement dated as of January 31, 2008, the Agreement Re: Pledged Deposit Accounts dated as of October 27, 2005, the Blocked Accounts Agreement dated as of October 27, 2005, the Second Amended and Restated Four Party Agreement for Sold Accounts (General), dated as of January 31, 2008, or the Third Amended and Restated Four Party Agreement for Sold Accounts (General), referred to above, shall be processed and transferred pursuant to such deposit and blocked account agreements and each bank party thereto is directed to comply therewith.

[40] **ORDERS** that ACI is hereby authorized and empowered to make, execute and deliver all instruments and documents and perform all other acts (including, without limitation, the perfection of ACI Funding's ownership interest in the Receivables) that may be required in connection with the Amended Securitization Program Agreements and the transactions contemplated thereby; it being expressly contemplated that pursuant to the terms of the Amended Securitization Program Agreements, ACI and ACSC shall be expressly authorized and empowered to continue to service, administer and collect the Receivables and Related Security on behalf of ACI Funding pursuant to the Amended Securitization Program Agreements, and with respect to ACI, ACSC and ACI Funding, each shall be expressly authorized and empowered to make, execute and deliver all instruments and documents and perform all other acts that may be required in connection with the Amended Securitization Program Agreements and the transactions contemplated thereby.

[41] **ORDERS** that ACI is hereby authorized and empowered to continue to use the proceeds of the arrangements contemplated by the Amended Securitization Program Agreements in the operation of the Petitioners' businesses, provided however, that the use of the proceeds are consistent with the terms of the Amended Securitization Program Agreements, this Order or as may otherwise be agreed in writing by the Agent.

[42] **ORDERS AND DECLARES** that without limiting ACI's duty to comply with and fulfill any obligations under the Amended Securitization Program Agreements, ACI shall perform and pay all indemnification and other obligations to the Agent, Citibank and any other Indemnified Parties (as defined in the ARRPA) under the Amended Securitization Program Agreements, all obligations to ACI Funding under the Amended Securitization Program Agreements, and all of its obligations in respect of the Insurance Policy (as defined in the ARRPA).

[43] **ORDERS AND DECLARES** that, notwithstanding the terms of this Order, the parties to the Amended Securitization Program Agreements other than ACI shall in that capacity be unaffected in these proceedings and by any plan of compromise or arrangement proposed by any of the Petitioners under the CCAA or by any proposal filed by any of the Petitioners under the BIA, and for greater certainty, paragraph 46(f) of this Order shall not apply to the Amended Securitization Program Agreements.

[44] **DECLARES** that this Order shall not stay or otherwise apply to restrict in any way the exercise of any rights of any Person under any of the Amended Securitization Program Agreements.

[45] **ORDERS AND DECLARES** that subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraph 28 hereof in respect of the Securitization Program, or inventory sales by ACI and the sale of inventory by ACI to ACSC and paragraphs 29 to 45.2 hereof or any other reference to the Securitization Program or the Amended Securitization Program Agreements herein, unless either (a) notice of a motion for such order is served on the Agent and ACI by the moving party within seven (7) days after that party was provided with notice of this Order in accordance with paragraph 70(a) hereof or (b) the Agent and ACI apply for or consent to such order.

[45.1] **ORDERS AND DECLARES** that notwithstanding paragraph 45 hereof, the parties to the Amended Securitization Program Agreements are hereby expressly authorized to make, execute and deliver one or more non-material amendments complying with the following to said Amended Securitization Program Agreements in such form as the parties thereto may agree with prior notice to the Monitor, it being understood that no further approval of this Court shall be required for amendments to the Amended Securitization Program Agreements, other than amendments extending the maturity date, changing interest payable, imposing material negative covenants or requiring the payment of additional fees.

[45.2] **ORDERS** that notwithstanding the amendment and restatement of this Order, paragraphs 29 to 45 of the Second Amended and Restated Initial Order made May 6, 2009 shall remain in full force and effect with respect to the Waiver Agreement and the Securitization Program Agreements (as defined in such Order).