

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,
R.S.C., c. C-36)

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

AINSWORTH ENGINEERED CORP.
represented by AINSWORTH LUMBER
COMPANY LIMITED

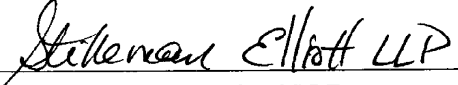
Respondent

LIST OF EXHIBITS OF THE PETITIONERS

*Motion to lift the stay of proceedings for the limited purpose of finalizing arbitration
proceedings (Sections 11 and ff. of the Companies' Creditors Arrangement Act)*

DESCRIPTION	
R-1:	Agreement entered into between ACCC and Ainsworth on June 11, 2009

Montreal, this 12th day of June, 2009


STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

AGREEMENT

BETWEEN : **ABITIBI-CONSOLIDATED COMPANY OF CANADA**, company duly constituted having a place of business situated at 145 Third Street West, Fort Frances, Ontario, P9A 3N2

("ACCC")

AND :

AINSWORTH ENGINEERED CORP. represented by **AINSWORTH LUMBER COMPANY LIMITED**, company duly constituted having a place of business situated at P.O. Box 2000, Barwick, Ontario, P0W 1A0

("Ainsworth")

WHEREAS by Sustainable Forest Licence No. 542245 dated May 24, 2005 (the "SFL"), ACCC was granted, by Her Majesty the Queen in the right of the Province of Ontario as represented by the Minister of Natural Resources (the "Minister") the right to harvest and remove all kinds and classes of timber on and from an area described in the SFL and known as the "Crossroute Forest" (the "Forest").

WHEREAS Ainsworth operates an oriented strand board mill located in the Township of Barwick, Ontario (the "Mill"), which requires a supply of wood fibre from the Forest.

WHEREAS by Supply Agreement No. 536238 dated December 5, 2005 between the Minister and Ainsworth, the Minister agreed to make available to Ainsworth certain volumes of wood fibre from the Forest.

WHEREAS ACCC has been directed by the Minister to make available to Ainsworth a volume of wood fibre in accordance to the Minister's commitment described in Appendix "E" of the SFL.

WHEREAS ACCC and Ainsworth entered into a Restated Timber Agreement dated September 18, 1995 that governs ACCC and Ainsworth's respective rights and obligations in respect of wood fibre to be available to the Mill from the Forest (the "Restated Timber Agreement").

WHEREAS in April 2008, ACCC, Ainsworth and other parties arrived at a comprehensive settlement of various disputes in issue at the time (the "April 2008 Settlement").

WHEREAS as part of the April 2008 Settlement, ACCC and Ainsworth agreed to negotiate the terms of a new Memorandum of Agreement (the "MOA") to replace the Restated Timber Agreement. The April 2008 Settlement provides a compressed dispute resolution process (mediation/arbitration) (the "Resolution Process") for arriving at the MOA in the event that ACCC and Ainsworth fail to reach an agreement on all the terms of the MOA.

WHEREAS according to the April 2008 Settlement, ACCC and Ainsworth agreed that Mr. Richard Weiler would act as mediator and then as arbitrator (the "**Arbitrator**") should the parties resort to the Resolution Process.

WHEREAS ACCC and Ainsworth held negotiations but were unable to reach an agreement on all the terms of the MOA.

WHEREAS ACCC and Ainsworth proceeded with mediation in accordance with the Resolution Process but such mediation failed.

WHEREAS on March 30 and 31, 2009, the arbitration hearing was conducted (the "**Arbitration Proceedings**").

WHEREAS on April 17, 2009, the honorable justice Clément Gascon of the Superior Court of Quebec rendered an initial order (as amended) (the "**Initial Order**") in favor of ACCC and many other entities of the same group under the *Companies Creditors' Arrangement Act* in the file bearing Court number 500-11-036133-094 (the "**CCAA Proceedings**").

WHEREAS as of the date of the Initial Order, the following steps of the Arbitration Proceedings had yet to be completed: a) filing by ACCC of its Reply to the Closing Argument of Ainsworth; b) oral arguments by both parties before the Arbitrator, and c) the Arbitrator was to have rendered his decision.

WHEREAS paragraph 10 of the Initial Order provides, *inter alia*, that all the proceedings instituted against ACCC are stayed and suspended during the Stay Period (the "**Stay of Proceedings**"), which includes the Arbitration Proceedings.

WHEREAS ACCC and Ainsworth wish to lift the Stay of Proceedings for the limited purpose mentioned above.

THE PARTIES HAVE AGREED AS FOLLOWS:

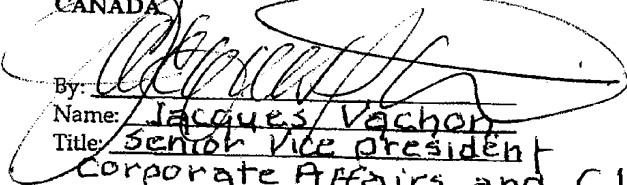
1. ACCC and Ainsworth agree to lift the Stay of Proceedings for the Arbitration Proceedings for the limited purpose of:
 - a) filing by ACCC of its Reply to the Closing Argument of Ainsworth within three (3) weeks of the lifting of the Stay of Proceedings;
 - b) oral arguments by both parties before the Arbitrator;
 - c) the Arbitrator rendering his decision.
2. ACCC and Ainsworth agree and confirm that the Stay of Proceedings will however apply to any order issued in the context of the Arbitration Proceedings condemning ACCC to pay Ainsworth any amount whatsoever for the period prior to April 17, 2009. Subject to

Ainsworth's right of set-off if any, any such claim will be treated in a plan of arrangement to eventually be filed by ACCC in the context of the CCAA Proceedings.

3. This agreement is subject to the authorization of the Superior Court of Quebec which shall be sought by ACCC in a timely fashion following the execution hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on this 11 day of June 2009.

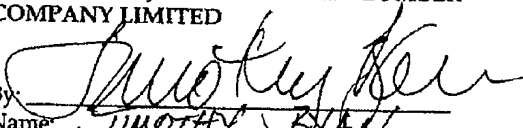
ABITIBI-CONSOLIDATED COMPANY OF
CANADA

By: 

Name: Jacques Vachon

Title: Senior Vice President
Corporate Affairs and CLO

AINSWORTH ENGINEERED CORP.
represented by AINSWORTH LUMBER
COMPANY LIMITED

By: 

Name: TIMOTHY RYAN

Title: Vice President Timberlands

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

Nº. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

**In the matter of Plan of Compromise or Arrangement
of:**

ABITIBOWATER INC. et al

Petitioners

- and -
ERNST & YOUNG INC.

Monitor

- and -
AINSWORTH ENGINEERED CORP. represented by
AINSWORTH LUMBER COMPANY LIMITED

Respondent

BS0350
n/dos.: 041053-1170

EXHIBIT R-1

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

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

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

ABITIBI BOWATER INC. et al

- and -
ERNST & YOUNG INC.

- and -
AINSWORTH ENGINEERED CORP. represented by
AINSWORTH LUMBER COMPANY LIMITED

BS0350
n/dos.: 041053-1170

ORIGINAL

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