



Smurfit-Stone
Container Corporation
Six CityPlace Drive
Creve Coeur, MO 63141
314-656-6300

September 30, 2008

William G. Harvey
Chief Financial Officer and Senior Vice President
AbitibiBowater, Inc.
1155 Metcalfe Street, Suite 800
Montreal, QC
H3B 5H2

Dear Bill:

As a result of our respective teams' work, I am pleased to present this letter to you to serve as confirmation of our agreements on various matters including as a temporary waiver of certain of AbitibiBowater's rights under that certain Asset Acquisition Agreement dated June 15, 1994 entered into among one of your predecessor companies, Avenor Inc., and one of our predecessor companies, St-Laurent Paperboard Inc. (the "Agreement"). Whereas:

A) Bowater Canadian Forest Products, Inc. ("BCFPI"), Smurfit-Stone Container Enterprises, Inc. ("SSCE") and its wholly-owned Canadian subsidiary, Smurfit-Stone Container Canada Inc. ("SSCCI", and SSCE together with SSCCI being hereafter referred to as "SSCC") have agreed to the terms and conditions of fibre supply from BCFPI to the La Tuque mill of SSCCI as attached hereto as Exhibit 1, which forms an integral part and essential condition of this letter agreement;

B) Abitibi Bowater has agreed to release Catalyst Paper Corporation and its subsidiaries including Catalyst Paper (Snowflake) Inc. in respect of their obligations under the agreements between such parties and Abitibi Bowater to purchase recycled fiber to supply SSCE's medium machine at the Snowflake, Arizona mill, which forms an integral part and essential condition of this letter agreement;

C) SSCC wishes to undertake as promptly as possible following the acceptance and delivery by BCFPI of this letter agreement, the marketing and sale of the Optioned Land (as such expression is defined in the Agreement); and

D) BCFPI wishes to provide further incentive to SSCC in connection with the marketing and sale of the Optioned Land;

BCFPI and SSCC agree as follows:

1) BCFPI waives its rights under Section 5.1 of the Agreement for a period of two (2) years from the date hereof.

2) SSCC shall undertake as promptly as possible following the acceptance and delivery by BCFPI of this letter agreement, the process of marketing and selling the Optioned Land in good faith using its best commercial efforts and with the assistance of duly qualified advisors and agents engaged in such process. SSCC's obligation under this paragraph 2 shall not require a resulting sale of the Optioned Land. For greater certainty, SSCC shall manage and otherwise carry on the process for the marketing and sale of the Optioned Land, acting as set forth above but in its absolute and sole discretion including, without limitation, (i) determining to postpone or terminate at any time the process for the marketing and sale of the Optioned Land, (ii) negotiating the terms and conditions of a sale of the Optioned Land, including the sale price thereof, (iii) selecting the potential buyer(s), and (iv) whether or not to accept any offer for, or consummate the sale of, the Optioned Land with any Person.

3) In the event a sale of the Optioned Land is consummated by SSCC with any Person within the period of time set forth in paragraph 1 above, SSCC shall pay to BCFPI an amount equal to fifty percent (50%) of the net proceeds received from the sale of the Optioned Land after deducting from the purchase price all expenses and costs incurred in connection with the sale of the Optioned Land, without the necessity for prior demand, immediately upon the receipt of said purchase price by SSCC; if such Person pays for the Optioned Land by instalment, SSCC shall pay BCFPI its share of the net proceeds upon receipt thereof. Should SSCC not consummate a sale of the Optioned Land within the period referred to above, the waiver set forth in paragraph 1 shall become automatically null and void and any sale, transfer or alienation of the Optioned Land thereafter shall be governed by Section 5.1 of the Agreement.

4) Notwithstanding paragraph 3 above, in the event that the net proceeds from the sale of the Optioned Land are less than C\$50 per acre, SSCC shall pay to BCFPI only that portion of the net proceeds that exceeds C\$25 per acre.

5) No failure or delay by either BCFPI or SSCC in exercising any right, power or privilege under this letter agreement will operate as a waiver of that right, power or privilege, and the single or partial exercise of a right, power or privilege under this letter agreement will not preclude any other or future exercise of that or any other right, power or privilege.

6) Any notice or other communication to be given in connection with this letter agreement must be in writing and given by personal delivery or facsimile. Any notice or communication so given will be deemed to have been received on the date of actual receipt, if received by 5:00 p.m. local time at the receiving location, or on the next business day, if received after 5:00 p.m. at that location.

7) The obligations undertaken by BCFPI and SSCC in this letter agreement shall inure to the benefit of, and be binding upon, their respective successors and assigns.

8) Neither BCFPI nor SSCC shall assign this letter agreement or any of its rights and obligations hereunder, either in whole or in part, to any Person without prior written consent of the other.

9) This letter agreement may validly be executed by facsimile or electronic transmission and in any number of counterparts, all of which taken together shall constitute one and the same agreement, and each of which shall constitute an original.

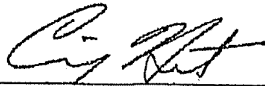
10) If any provision of this letter agreement is determined to be void or unenforceable in whole or in part, it will be severable and will not be deemed to affect or impair the enforceability or validity of any other provision of this letter agreement or any part thereof.

11) This letter agreement and its contents are strictly confidential and shall not be disclosed unless required by applicable securities legislation. Any public disclosure of this letter agreement and its contents shall require the respective consent of BCFPI and SSCC.

12) This agreement shall be governed by the laws of the Province of Quebec and the laws of Canada applicable therein.

If you agree with the foregoing, please date, sign and return a copy of this letter, which will constitute our agreement with respect to the subject matter set forth herein and the Exhibits attached hereto.

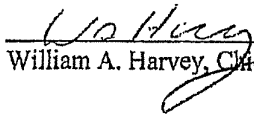
Yours truly,
SMURFIT-STONE CONTAINER ENTERPRISES, INC.



Craig A. Hunt, Senior Vice President, Secretary and General Counsel

Accepted and agreed this 8th day of October, 2008 by:

BOWATER CANADIAN FOREST PRODUCTS, INC.



William A. Harvey, Chief Financial Officer and Senior Vice President

EXHIBIT 1

Term Sheet Items

September 30, 2008

Annual Volume

- Sawdust, shavings and chips based on the production of the sawmills listed on the attachment. Volume anticipated to be no less than [REDACTED] odmt of jack pine chips ([REDACTED] from La Tuque and [REDACTED] from the Abitibi region) and [REDACTED] odmt of shavings, along with all available sawdust from these facilities.
- Sawdust, shavings and chip deliveries should be scheduled as close to equal quarterly volumes as possible. Supplier will provide monthly forecasts for each mill in advance based on sawmill production forecasts.
- Shavings will be incorporated into loads of sawdust in order to optimize freight and protect against freezing, where possible.

Specifications

- Consistent with historical practices

Pricing

- For the first year ending September 30, 2009, prices will be as follows (in each case F.O.B the supplying mill):
Sawdust: [REDACTED] per ton
Shavings: [REDACTED] per ton
Chips: [REDACTED] per ton
- After the first year, pricing will be adjusted annually to approximate market prices for each type of fiber. The parties will meet at least 90 days prior to the end of each contract year and attempt to mutually determine the market prices. In the event that they fail to reach agreement, the contract will specify that a neutral third party arbitrator will set the market price for the following year; provided, however that in such event either party may elect to terminate the agreement on two years' written notice.

Term

- Initial term of 6 years (subject to early termination as noted above).
- Any renewal will be for a minimum of 3 additional years.