

CANADA

PROVINCE OF QUEBEC
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, as amended)

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 herein

Petitioners

and

ERNST & YOUNG INC.,

Monitor

**MOTION FOR AN ORDER APPROVING A PROCESS TO SOLICIT CLAIMS AND
FOR THE ESTABLISHMENT OF A CLAIMS BAR DATE
(Sections 9, 10 and 11 of the *Companies' Creditors Arrangement Act* ("CCAA"))**

TO JUSTICE GASCON OR 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:

A. PREAMBLE

1. On April 17, 2009, this Honourable Court (the "**Canadian Court**") issued an order (as subsequently amended and restated, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") in respect of (i) Abitibi-Consolidated Inc. ("**ACI**") and subsidiaries thereof (the "**Abitibi Petitioners**")¹; (ii) Bowater Canadian Holdings Inc. and subsidiaries thereof (the "**Bowater Petitioners**")², collectively with the Abitibi Petitioners, the "**Canadian Petitioners**") and (iii) certain partnerships (the "**Partnerships**")³.
2. Pursuant to the Initial Order, Ernst & Young Inc. (the "**Monitor**") was appointed as Monitor of the Canadian Petitioners and Partnerships under the CCAA and a stay of proceedings was granted in favour of the Canadian Petitioners and Partnerships until May 14, 2009 (the "**Stay Period**"). On May 14, the Stay Period was extended until September 4, 2009.
3. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. and certain of their U.S. and Canadian subsidiaries (excluding the Cross-Border Petitioners as defined below, the "**U.S. Debtors**")⁴ filed voluntary petitions for relief under Chapter 11 of the *U.S. Bankruptcy Code* (the "**Chapter 11 Proceedings**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). On April 17, 2009, ABH and certain of its subsidiaries (collectively with ABH, the "**18.6 Petitioners**")⁵ obtained orders under s. 18.6 of the CCAA in respect of the Chapter 11 Proceedings.

¹ The Abitibi Petitioners are Abitibi-Consolidated Inc., Abitibi-Consolidated Company of Canada, 3224112 Nova Scotia Limited, Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated., 4042140 Canada Inc., Donohue Recycling Inc., 1508756 Ontario Inc., 3217925 Nova Scotia Company, La Tuque Forest Products Inc., Abitibi-Consolidated Nova Scotia Incorporated, Saguenay Forest Products Inc., Terra Nova Explorations Ltd., The Jonquière Pulp Company, The International Bridge and Terminal Company, Scramble Mining Ltd. and 9150-3383 Québec Inc.

² The Bowater Petitioners are Bowater Canadian Holdings Incorporated., Bowater Canada Finance Corporation, Bowater Canadian Limited, 3231378 Nova Scotia Company, AbitibiBowater Canada Inc., Bowater Canada Treasury Corporation, Bowater Canadian Forest Products Inc., Bowater Shelburne Corporation, Bowater LaHave Corporation, St. Maurice River Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc. and Bowater Couturier Inc.

³ The Partnerships are Bowater Canada Finance Limited Partnership, Bowater Pulp and Paper Canada Holdings Limited Partnership and Abitibi-Consolidated Finance LP.

⁴ The US Debtors are AbitibiBowater Inc., AbitibiBowater US Holding LLC, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Alabama Corporation, Alabama River Newsprint Company, Abitibi-Consolidated Corporation, Augusta Woodlands, LLC, Tenex Data Inc., AbitibiBowater US Holding 1 Corp., Bowater Ventures Inc., Bowater Incorporated, Bowater Nuway Inc., Bowater Nuway Mid-States Inc., Catawba Property Holdings LLC, Bowater Finance Company Inc., Bowater South American Holdings Incorporated, Bowater America Inc., Lake Superior Forest Products Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Finance II LLC, Bowater Alabama LLC, Coosa Pines Golf Club Holdings LLC and Abitibi-Consolidated Finance LP; provided that "U.S. Debtors" shall not include the Cross-Border Petitioners;

⁵ The 18.6 Petitioners are AbitibiBowater Inc., AbitibiBowater US Holding 1 Corp., Bowater Ventures Inc., Bowater Incorporated, Bowater Nuway Inc., Bowater Nuway Mid-States Inc., Catawba Property Holdings LLC, Bowater Finance Company Inc., Bowater South American Holdings Incorporated, Bowater America Inc., Lake Superior Forest Products Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Finance II, LLC, Bowater Alabama LLC and Coosa Pines Golf Club Holdings LLC.

4. In the context of the restructuring of the Petitioners' business, Bowater Canadian Forest Products Inc. ("BCFPI") and five other Bowater Petitioners filed for Court protection in both the CCAA Proceedings and the Chapter 11 Proceedings (the "Cross-Border Petitioners").⁶
5. The present Motion seeks an order from this Court (the "Canadian Order"): (i) establishing a claims bar date of November 13, 2009 at 4:00 p.m. Eastern Time (the "Claims Bar Date") for the filing of creditors' proofs of claim with the Monitor; (ii) approving the forms and manner of notice of the Canadian Order; and (iii) granting such other and further relief as this Court deems just and proper.
6. English and French versions of the proposed Canadian Order are communicated herewith, respectively, as Exhibits P-1 and P-2.

THE CLAIMS PROCESS

7. The proposed Canadian Order establishes the Claims Bar Date and outlines a procedure for the filing of any claim against the Canadian Petitioners (including the Cross-Border Petitioners) and the Partnerships which existed as of the date of filing under the CCAA (a "Claim") excluding the Excluded Claims (as defined below), as well as the filing of any claim against the Canadian Petitioners and Partnerships arising out of contract repudiation which took place between April 17 and August 31 (a "Subsequent Claim").
8. The Canadian Order does not provide any orders in respect of the applicable procedure for the review, determination, adjudication or compromise of Claims or Subsequent Claims. Orders in respect of the above shall be the object of future applications to this Court.
9. The Canadian Order further provides that any claim arising out of a contract repudiation which occurred after August 31, 2009 (a "Restructuring Claim") will be subjected to a later bar date. Also exempted from the Claims Bar Date and excluded from the current call for claims are those claims (the "Excluded Claims", as defined in Canadian Order, Exhibit P-1) that are not expected to be crystallized or ascertainable by the Claims Bar Date. The establishment of a further claims bar date for the Restructuring Claims and the Excluded Claims will be the object of future applications to this Court.
10. The Canadian Order is designed to operate alongside a similar order expected to be sought on or around August 26, 2009 by ABH's U.S. counsel in the Chapter 11 Proceedings (the "U.S. Order").

⁶ The Cross-Border Petitioners are Bowater Canadian Holdings Inc., Bowater Canada Finance Corporation, Bowater Canadian Limited, AbitibiBowater Canada Inc., BCFPI, Bowater LaHave Corporation and Bowater Maritimes Inc.

11. Once approved, the U.S. Order and the Canadian Order will provide for the same Claims Bar Date of November 13, 2009 to apply in both the CCAA Proceedings and the Chapter 11 Proceedings.
12. The Canadian Order provides that the Monitor shall cause a claims document package (the "**Canadian Claims Package**") to be sent to each known creditor of the Canadian Petitioners within 20 days from the issuance of said order. The Canadian Claims Package will include French and English versions of the following Appendices to the Canadian Order (Exhibit P-1 and P-2):
 - (i) a Canadian Instruction Letter (**Appendix "D"** to the Canadian Order);
 - (ii) a Canadian Proof of Claim Form (**Appendix "E"** to the Canadian Order); and
 - (iii) a Notice to Creditors (**Appendix "F"** to the Canadian Order).
13. In addition to mailing the Canadian Claims Package, the Monitor will mail to the known creditors of the Cross-Border Petitioners and to certain other creditors of the Canadian Petitioners who are listed on the creditor matrix transmitted to the clerk of the U.S. Court at the commencement of the Chapter 11 Proceedings a package containing the documentation mailed to known creditors of U.S. Debtors pursuant to the U.S. Order (the "**U.S. Claims Package**"). The documents included in the U.S. Claims Package are communicated herewith as **Exhibit P-3**.
14. French translations of the documents contained in the U.S. Claims Package will be included by the Monitor in mailings to Canadian addresses and are communicated herewith as **Exhibit P-4**.
15. In the U.S., mailings of U.S. Claims Packages to the creditors of U.S. Debtors (which said group excludes the Cross-Border Petitioners) will be performed by Epiq Bankruptcy Solutions, LLC ("**Epiq**"), the U.S. Court-approved claims and noticing agent for the Chapter 11 Proceedings.
16. The Canadian Order provides that creditors asserting claims against the Canadian Petitioners, including the Cross-Border Petitioners, are required to file their proofs of claims in the Canadian Court. Creditors asserting claims against the U.S. Debtors will be requested to file their claims with the U.S. Court.
17. The Canadian Order also includes specific provisions in order to address situations where creditors file their claims in the wrong jurisdiction or simultaneously file their claims in both the U.S. and the Canadian Court.
18. In respect of the proofs of claim filed by creditors of the Cross-Border Petitioners, any such claim filed with the Monitor against a Cross-Border Petitioner will be transferred by the Monitor to Epiq for compilation and inclusion on the chapter 11 claims registry. Likewise, any proofs of claim filed with Epiq against a Cross-Border Petitioner will be transferred to the Monitor for compilation and inclusion on the CCAA claims registry.

19. Pursuant to the Canadian Order, the mailing of the Canadian Claims Package to known creditors and the mailing of U.S. Claims Packages to entities listed on the Chapter 11 creditor matrix will be supplemented by the placement, in widely distributed French and English-language newspapers, of the Notice to Creditors, as well as the posting of the bilingual Canadian Claims Package on the Monitor's website.

GROUND FOR THIS MOTION

20. In order for ABH and its subsidiaries to adequately formulate one or more plans of arrangement to be presented to their creditors, it is appropriate and necessary that the nature, extent and scope of the Claims and Subsequent Claims against the Canadian Petitioners be ascertained.
21. The establishment of the Claims Bar Date is necessary in order to facilitate and accelerate the identification and valuation of these claims.
22. As a result of the approval of the U.S. Order and the Canadian Order, an identical Claims Bar Date and procedure for filing proofs of claim against the Cross Border Petitioners will apply in the CCAA Proceedings and in the Chapter 11 Proceedings. Thus, the Canadian Order, when considered in connection with the U.S. Order, will create a coordinated and practical procedure for all creditors to file proofs of claim in the context of ABH's cross-border restructuring efforts.
23. The adoption of the proposed orders will therefore benefit the Canadian Petitioners' creditors as a whole.
24. It is respectfully submitted that this Motion should be granted in accordance with its conclusions.
25. The present Motion is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

- [1] **GRANT** this *Motion for an Order Approving a Process to Solicit Claims and for the Establishment of a Claims Bar Date* (the "**Motion**").
- [2] **EXEMPT**, if applicable, the applicants from having to serve this Motion and from any notice or delay of presentation.
- [3] **ENTER** into an order substantially in the form attached as Exhibit P-3 hereto (the "**Canadian Order**"): (i) establishing a claims bar date of November 13, 2009 at 4:00 p.m. Eastern Time for the filing of creditors' proofs of claim with the

Monitor; and (ii) approving the forms and manner of notice of the Canadian Order.

- [4] **GRANT** such other and further relief as this Court deems just and proper.
- [5] **ORDER** the provisional execution of the Canadian Order notwithstanding any appeal and without the necessity of furnishing any security.

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

Montreal, August 21, 2009

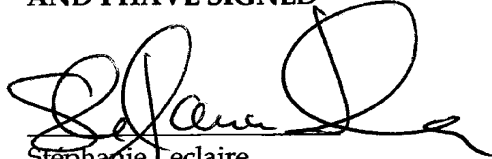

STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

AFFIDAVIT

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

1. I am Vice President, Legal Affairs of AbitibiBowater Inc.
2. All the facts alleged in the *Motion for an Order Approving a Process to Solicit Claims and for the Establishment of a Claims Bar Date* are true.

AND I HAVE SIGNED



Stéphanie Leclaire

Solemnly declared before me at Montréal,
on the 21st day of August, 2009



Commissioner for oaths

Commissioner of Oaths
Districts of Longueuil and Montréal
142 518

NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the *Motion for an Order Approving a Process to Solicit Claims and for the Establishment of a Claims Bar Date* will be presented for adjudication before the Honourable Judge Clément Gascon of the Superior Court, sitting in practice in and for the District of Montreal, in the **Montreal Court House, 1 Notre-Dame St. East**, on **August 26**, at a time and in a Room to be announced.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, August 21, 2009


STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

SUPERIOR COURT
Commercial Division
Court designated pursuant to
Creditors Arrangement Act)

Nº. 500-11-036133-094

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBI BOWATER INC. *et al*

Petitioners

- and -

ERNST & YOUNG INC.

Monitor

BS0350

n/dos.: 041053-1170

MOTION FOR AN ORDER APPROVING A PROCESS TO SOLICIT CLAIMS AND FOR THE ESTABLISHMENT OF A CLAIMS BAR DATE, AFFIDAVIT AND NOTICE OF PRESENTATION

ORIGINAL

Me Guy P. Martel

(514) 397-3163

Fax : (514) 397-3493

STIKEMAN ELLIOTT
 40^e Étage
 1155, boul. René-Lévesque Ouest
 Montréal, Canada H3B 3V2