

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: ●

PRESENT: THE HONOURABLE CLÉMENT GASCON, J.S.C.

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

**ORDER ON THE PETITIONERS' MOTION FOR THE FILING OF AN ADDITIONAL
PETITIONER AND FOR AN AUTHORIZATION TO ENTER INTO TRANSACTIONS
FOR THE RESTRUCTURING OF THE PETITIONERS' EUROPEAN SALE
STRUCTURE**

[1] **CONSIDERING** the Petitioners' *Motion for the Filing of an Additional Petitioner and for an Authorization to Enter into Transactions for the Restructuring of the Petitioners' European Sale Structure* dated October 28, 2009 (the "**Motion**");

- [2] **CONSIDERING** the representations of the parties;
- [3] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

FOR THESE REASONS, THE COURT:

- [1] **EXEMPTS** the Petitioners from having to serve this Motion and from any notice or delay of presentation.
- [2] **DECLARES** that, unless otherwise provided, undefined capitalized terms and expressions used herein shall have the respective meanings ascribed thereto in the Second Amended Initial Order of the Honourable Mr. Justice Clément Gascon, J.S.C. dated May 6, 2009, as amended (the "**Initial Order**").

Abitibi-Consolidated (U.K.) Inc.

- [3] **DECLARES** that Abitibi-Consolidated (U.K.) Inc. ("**ACUK**"), a subsidiary of Abitibi-Consolidated Inc. ("**ACI**"), is a debtor company to which the CCAA applies.
- [4] **AMENDS** the Initial Order by including the following additional Petitioner on "Schedule 'A' - Abitibi Petitioners":

20. Abitibi-Consolidated (U.K.) Inc.

- [5] **DECLARES** that from immediately after midnight (Montréal time) on October 27, 2009, any act or action taken or notice given by any person in respect of ACUK are deemed not to have been taken or given, as the case may be, to the extent such act, action or notice would otherwise be stayed after the granting of this Order, pursuant to the terms of the Initial Order.
- [6] **ORDERS** that ACI is hereby authorized and directed to pledge and deliver the shares of ACUK to the Bank of Montreal pursuant to the ACI DIP Charge and that certain Deed of Hypothec granted by ACI in favour of Bank of Montreal on May 6, 2009.

Assignment of Accounts Receivables

- [7] **ORDERS** that ACUK be authorized to enter into a *Deed of Amendment to Paper Supply Agreement and Assignment* (the "**Deed of Amendment**") with ACI and Bridgewater Paper Company Limited ("**BPCL**") upon such terms and conditions as may be approved by the Monitor in order to give effect to and implement and complete those transactions and steps which may be necessary or useful for the assignment of BPCL's accounts receivables to ACUK (the "**Assignment**") and any and all related matters.

- [8] **ORDERS AND DECLARES** that the Order to be rendered on the Motion shall constitute the only authorization required by the Petitioners to proceed with the Assignment and that no other approval or conditions shall be required in connection with the Assignment or the effectiveness of any replacement security contemplated herein.
- [9] **ORDERS AND DECLARES** that the terms of the Assignment shall provide that the accounts receivable of BPCL to be assigned to ACUK shall at all times be and remain subject to the liens created thereon by BPCL in favour of the Term Lenders (the "BPCL Term Lenders' Liens").
- [10] **ORDERS AND DECLARES** that, save and except for the BPCL Term Lenders' Liens and the liens to be created on present or future assets of ACUK in favour of the Term Lenders (the "**Term Lenders' Liens**"), the present or future assets of ACUK are not and shall not become subject to any charges, liens or encumbrances granted in respect of the Abitibi Petitioners, or any one thereof, or any of their respective assets, including, without limitation, any and all CCAA Charges or any equivalents thereof or replacements thereof, and that said assets shall be free and clear of any charges, liens or encumbrances other than the Term Lenders' Liens.

Replacement Security

- [11] **ORDERS** that ACUK is authorized to enter into and execute the guaranty and security documents necessary for ACUK to become a guarantor and grantor pursuant to Section 5.10 of the Term Loan Facility (as said term is defined in the Initial Order), along with any other documents in relation with the foregoing as the Petitioners party thereto may agree to with the consent of the Monitor.
- [12] **ORDERS** that ACUK is authorized to enter into guaranties and to execute any and all documents necessary for ACUK to become a guarantor under (i) the indenture for the 13.75% Senior Secured Notes due April 1, 2011 (the "**Senior Notes Indenture**"); and (ii) the indenture for the unsecured US\$293M 15.5% Exchange Notes due July 15, 2010 (the "**Unsecured Notes Indenture**") along with any other documents in relation with the foregoing as the Petitioners party thereto may agree to with the consent of the Monitor.
- [13] **ORDERS AND DECLARES** that the guarantees and where applicable any security provided by ACI and its direct or indirect subsidiaries under the terms of the Term Loan, the Senior Notes Indenture and the Unsecured Notes Indenture, validly extend (provided their terms so provide) to the respective obligations of ACUK under the guarantee to be granted by it pursuant to the present Orders in favour of the Term Lenders, the trustee under the Senior Notes Indenture and the trustee under the Unsecured Notes Indenture.
- [14] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

[15] THE WHOLE WITHOUT COSTS.

Clément Gascon, J.S.C.

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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 JONQUIERE 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. CANEXEL 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