SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: NOVEMBER 23, 2009

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

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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

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ORDER
ON THE PETITIONERS' MOTION FOR THE ISSUANCE MOTION FOR THE ISSUANCE OF AN ORDER AUTHORIZING PETITIONERS ABITIBI-CONSOLIDATED

INC. AND ABITIBI-CONSOLIDATED COMPANY OF CANADA TO IMPLEMENT CERTAIN RESTRUCTURING STEPS

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[1] **CONSIDERING** Petitioners' *Motion for the Issuance of an Order Authorizing Petitioners Abitibi-Consolidated Inc. and Abitibi-Consolidated Company of Canada to Implement Certain Restructuring Steps* dated November 17, 2009 (the **"Motion"**).

[2] **CONSIDERING** the representations of the parties.

FOR THESE REASONS, THE COURT:

[3] ~~**ORDERS AND DECLARES** that~~**AUTHORIZES** the Petitioners ~~are authorized~~ to implement and complete the transactions and steps (collectively, the **"Repayment Steps"**) contemplated in the Step Plan (the **"Step Plan"**) communicated as **Exhibit R-2** in support of the Motion in order to permit the repayment of the promissory note (the **"ABH LLC Note"**) issued by AbitibiBowater U.S. Holding LLC (**"ABH LLC"**) to Abitibi-Consolidated Company of Canada (**"ACCC"**) on April 1, 2008.

[4] ~~**ORDERS** that~~**AUTHORIZES** ACCC, in completing the Repayment Steps, ~~ACCC be authorized~~ to execute a certain support agreement (**"Support Agreement"**), a draft of which is communicated as **Exhibit R-3** to the Motion (upon such non-material amended terms and conditions as may be approved by the Monitor) and further **DECLARES** that, upon execution of the Support Agreement, no amendment thereto shall become effective without prior leave of this Court.

[5] ~~**ORDERS** that~~**AUTHORIZES** ACCC, in completing the Repayment Steps, ~~ACCC be authorized~~ to enter into non-material amendments to the Term Loan Facility, the Senior Notes and the $293M Exchange Notes due July 15, 2010 (collectively, the **"Pre-filing Financing Agreements"**) pursuant to which (a) LLC 1 (as defined in the Motion) will become a guarantor under the Pre-Filing Financing Agreements, and (b) LLC 1 will grant a first

priority security interest in all of its assets, and pledge that certain promissory note created as part of the Repayment Steps (being the LLC 2 Note), and LLC Holdco will grant a first priority security interest in the units held in LLC 1, in each case to the ACCC's Term Lenders (collectively, the "**Pre-filing Financing Amendments**").

[6] ~~**ORDERS** that~~**AUTHORIZES** ACCC, in completing the Repayment Steps ~~as~~ contemplated in the Step Plan~~, the Petitioners be authorized~~:

(a) to execute the agreements and to execute and deliver any documents and assurances governing or giving effect to the Repayment Steps as the Petitioners, in their discretion, may deem to be reasonably necessary or advisable to conclude the Repayment Steps, including the execution of such deeds, contracts or documents, as may be contemplated in the Step Plan and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and

(b) to take such steps as are, in the opinion of the Petitioners, necessary or incidental to the implementation of the Repayment Steps provided, however, that ABH LLC and LLC1 shall not make any payment or otherwise reduce any amount owing under the LLC2 Note (as said term is defined in the Support Agreement, Exhibit R-3 to the Motion) without obtaining a prior order from this Court.

[7] **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 Repayment Steps and that no board of directors, shareholder or regulatory approval shall be required in connection with the Repayment Steps save and for those contemplated in the Step Plan.

[8] **ORDERS AND DECLARES** that if all the steps of the Repayment Steps are not completed in their entirety and in the order provided in the Step Plan on or before December 31, 2009, each and every completed steps will be automatically deemed null and void *ab initio*, thereby leaving the ABH LLC Note and capital structure of each of the parties to the Repayment Steps unchanged.

[9] **ORDERS AND DECLARES** that the transfers of the ABH LLC Note in the context of the implementation of the Repayment Steps shall be made free and clear of any charges, liens or encumbrance including without limitation, (i) the CCAA charges and any and all other encumbrances, liens, assignments, charges, hypothecs, pledges, security interests of any

nature, adverse claims, exceptions, reservations, options, privileges or any contract to create any of the foregoing, or (ii) any liability or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, secured or unsecured, joint or several, solidary or not solidary, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on any financial statements, the whole save and except for the rights to be granted under and pursuant to the Pre-filing Financing Amendments and the security interest in the ABH LLC Note in favour of the ACCC Term Lenders.

[10] ~~**ORDERS AND DECLARES** that~~**AUTHORIZES** the Petitioners ~~be authorized~~ to implement all the necessary steps of the Repayment Steps, including the reduction of ACCC's and ACI's stated capital, under section 123.62 of the *Quebec Companies Act*, L.R.Q. c. C-38 ("**QCA**") and section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 ("**CBCA**").

[11] **AUTHORIZES** the Petitioners to file Articles of Reorganization substantially in the form of the draft attached as **Schedule "D"** to this Order.

[12] ~~[11]~~ **ORDERS** that notwithstanding:

(a) the proceedings under the CCAA;

(b) any petitions for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any received order issued pursuant to any such petition; or

(c) the provision of any federal or provincial statute;

the Pre-Filing Financing Amendments, the vesting of the ABH LLC Note, ~~as well as~~ the execution of the Repayment Steps pursuant to this Order and the security interest to be created in favour of the ACCC Term Lenders~~,~~ are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to an oppression remedy;

[13] ~~[12]~~ **ORDERS AND DECLARES** that leave be reserved to the Petitioners to apply for such orders or directions as may be required to complete the Repayment Steps or otherwise in connection with the foregoing orders; and

[14] ~~[13]~~ **ORDERS** ~~**AND DECLARES**~~ the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

THE WHOLE WITHOUT COSTS.

Montréal, November 23, 2009

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CLÉMENT GASCON, J.S.C.

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.**
20. **ABITIBI-CONSILIDATED (U.K.) 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**

SCHEDULE "D"

Industry Canada | Industrie Canada

Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

FORM 14
ARTICLES OF REORGANIZATION
(SECTION 191)

FORMULAIRE 14
CLAUSES DE RÉORGANISATION
(ARTICLE 191)

1-- Name of Corporation - Dénomination sociale de la société	2 -- Corporation No. - Nº de la société
ABITIBI-CONSOLIDATED INC.	337578-1

3-- In accordance with the order for reorganization, the articles of incorporation are amended as follows:

Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

1. The outstanding balance in the stated capital account maintained by the Corporation for the common shares is $5,574,441,705.

2. The stated capital maintained by the Corporation for its common shares is hereby reduced by an amount of $250,000,000, such amount to be distributed to the holders of the common shares of the Corporation in accordance with that certain order issued by the Superior Court of Québec (commercial division) on November 23, 2009 in file n° 500-11-036133-094.

Signature	Printed Name - Nom en lettres moulées	4 -- Capacity of - En qualité de	5 -- Tel. No. - Nº de tél.

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

Canada

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