WILLKIE FARR & GALLAGHER LLP

ALAN J. LIPKIN
212 728 8240
alipkin@willkie.com

787 Seventh Avenue
New York, NY 10019-6099
Tel: 212 728 8000
Fax: 212 728 8111

April 16, 2010

Aurelius Capital Management LP

Contrarian Capital Management, LLC

c/o Fraser Milner Casgrain LLP
1 First Canadian Place
100 King Street, W
Toronto, ON M5X 1B2
Attention: Neil Rabinovitch

Gentlemen:

Re: AbitibiBowater CCAA Proceedings

We are U.S. attorneys for Wilmington Trust Company, as successor indenture trustee (the "Indenture Trustee") for the 7.95% Notes due 2011 (collectively, the "Notes") issued by Bowater Canada Finance Corporation ("BCFC") pursuant to an Indenture, dated as of October 31, 2001 (the "Indenture"), and guaranteed by Bowater Inc. ("BOW").

Thank you for sending us copies of your Motion, dated March 10, 2010 (the "Motion"), filed in the Superior Court, Commercial Division, in connection with BCFC and the CCAA Debtors' Contestation (the "Contestation") of the Motion.

We are pleased to confirm that, the Indenture Trustee has reviewed the Motion and does not object to the relief sought in the Motion. Also, the Indenture Trustee is not aware of any Noteholder who opposes the Motion or the relief sought therein.

We further confirm to you that in its capacity as a member of the Official Committee of Unsecured Creditors (the "Committee") in the AbitibiBowater chapter 11 cases (the "Chapter 11 Cases"), the Indenture Trustee has not received any specific information from the AbitibiBowater Debtors relating to BCFC or its assets or liabilities. Further, we note that the Committee requested and the Indenture Trustee agreed that the Indenture Trustee be recused from all Committee discussions regarding the Motion and the relief sought therein. Additionally, contrary to paragraph 12 of the Contestation, the Committee is not representing the individual interests of the Indenture Trustee or the BCFC Noteholders in the Chapter 11 Cases, but rather the interests of the unsecured creditors in the Chapter 11 Cases generally. Thus, for example, we understand the Committee will take no position regarding the Motion.

Regarding paragraph 16 of the Contestation, we note that since at least March 10, 2010, the Indenture Trustee made multiple requests of the AbitibiBowater Debtors to meet regarding the issues raised in the Motion. To date, while the AbitibiBowater Debtors have stated they are prepared to meet with the Indenture Trustee, the AbitibiBowater Debtors have failed to do so. In fact, although the Notes, on which the principal amount due is $600 million, represent probably the single largest claim against the AbitibiBowater Debtors, the AbitibiBowater Debtors have not met or talked with the Indenture Trustee regarding any issue concerning the Notes, including, without limitation, the intercompany transactions, the contribution claim, the preferred stock of Bowater Canadian Holdings Inc., or how BCFC's claims against related debtors will be addressed in any plan of reorganization or arrangement.

Meanwhile, we note the AbitibiBowater plan process is now on a fast track. In paragraph 15 of the U.S. Debtors' Third Motion for an Order Extending Their Exclusive Periods to File a Plan, dated April 14, 2010, the Company (i.e., AbitibiBowater Inc. and "its subsidiaries and affiliates") states "it has made substantial progress in formulating and negotiating viable plans of reorganization and arrangement in the Chapter 11 Cases and Canadian Proceeding, respectively." Further, the Company states it "presently is engaged in ongoing discussions with the key creditor constituencies, that it anticipates will soon result in a consensual framework for the Company's cross-board restructuring." Id. Moreover, under the Company's debtor-in-possession financing facility in the Chapter 11 Cases, the current deadline for filing a plan or reorganization in form and substance reasonably satisfactory to the requisite DIP Lenders is May 4, 2010. See id. ¶ 23.

We trust that this response will be satisfactory for your purposes.

Yours very truly,

Alan J. Lipkin

cc: Mr. Patrick Healey
Bruce Leonard, Esq.

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