CANADA	**SUPERIOR COURT**
PROVINCE OF QUÉBEC **DISTRICT OF MONTRÉAL**	Commercial Division (Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*)
No. : 500-11-036133-094	

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 THE ISSUANCE OF (I) (A) AN ORDER APPROVING BID PROCEDURES AND BID PROTECTIONS WITH RESPECT TO AN AUCTION IN CONNECTION WITH THE PETITIONERS' RIGHTS OFFERING; (B) SCHEDULING AN AUCTION AND HEARING; (C) AUTHORIZING THE PETITIONERS TO MAKE CERTAIN PAYMENTS; AND (D) APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (II) AN ORDER AUTHORIZING THE PETITIONERS TO (A) ENTER INTO A BACKSTOP COMMITMENT AGREEMENT AND (B) MAKE CERTAIN PAYMENTS THEREUNDER; AND (III) A RECOGNITION ORDER

TO THE HONOURABLE CLÉMENT GASCON J.S.C. OR TO 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:

I. PREAMBLE

1. On April 17, 2009, this Honourable Court (the "**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 and affiliates thereof (the "**Bowater Petitioners**")[2] and (iii) certain partnerships (the "**Partnerships**", and collectively with the Abitibi Petitioners and the Bowater Petitioners, the "**Petitioners**"[3]). Unless otherwise indicated, all capitalized terms herein shall have the meaning attributed to them in the Petitioners' *Petition for the Issuance of an Initial Order* (the "**CCAA Petition**") dated April 17, 2009, the whole as it appears more fully from the Court record.

2. Pursuant to the Initial Order, Ernst & Young Inc. (the "**Monitor**") was appointed as Monitor of the Petitioners and Partnerships under the CCAA.

3. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. and certain of their U.S. and Canadian subsidiaries (the "**U.S. Debtors**")[4] filed voluntary petitions for relief under Chapter 11 of the *U.S. Bankruptcy Code* (the "**Chapter 11 Cases**") before the United States Bankruptcy Court for the District of Delaware (the

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[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. Abitibi-Consolidated (U.K.) Inc. was added to the Schedule of Abitibi Petitioner on November 10, 2009.

[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 U.S. Debtors are: AbitibiBowater Inc., AbitibiBowater US Holding 1 Corp., AbitibiBowater US Holding LLC, AbitibiBowater Canada Inc., Abitibi-Consolidated Alabama Corporation, Abitibi-Consolidated Corporation, Abitibi-Consolidated Finance LP, Abitibi Consolidated Sales Corporation, Alabama River Newsprint Company, Augusta Woodlands, LLC, Bowater Alabama LLC, Bowater America Inc., Bowater Canada Finance Corporation, Bowater Canadian Forest Products Inc., Bowater Canadian Holdings Incorporated, Bowater Canadian Limited, Bowater Finance Company Inc., Bowater Finance II LLC, Bowater Incorporated, Bowater LaHave Corporation, Bowater Maritimes Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Nuway Inc., Bowater Nuway Mid-States Inc., Bowater South American Holdings Incorporated, Bowater Ventures Inc., Catawba Property Holdings, LLC, Coosa Pines Golf Club Holdings LLC, Donohue Corp., Lake Superior Forest Products Inc. and Tenex Data Inc. On December 21, 2009, ABH LLC 1 and ABH Holding Company LLC (together, the "SPV Debtors") commenced Chapter 11 cases, which cases are jointly administered with the above-captioned U.S. Debtors.

"**Bankruptcy 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.

II. ORDERS SOUGHT

4. The Petitioners hereby seek the issuances of the following orders:

   (a) an order (the "**Bid Procedure Order**"), a proposed draft of which is communicated as **Exhibit R-1**:

      (i) approving bid procedures, including certain bid protections to the Backstop Investors (as defined below), for a marketing and auction process with respect to a commitment to backstop the Debtors' proposed Rights Offering (as defined below) and the terms of the notes to be issued thereunder;

      (ii) approving the Termination Payment and Transaction Expenses (as such terms are defined below) and authorizing and directing the Petitioners to make such payments to the Backstop Investors; and

      (iii) scheduling an auction and a hearing to consider the winning financing proposal and approving the form and manner of notice thereof.

   (b) upon the conclusion of the auction process, an order (the "**Backstop Commitment Order**"), a proposed draft of which is communicated as **Exhibit R-2**, authorizing the Petitioners to:

      (i) enter into a Commitment Agreement with the Backstop Investors or such other successful investor(s) at the auction; and

      (ii) make certain payments thereunder.

   (c) a recognition order (the "**Recognition Order**"), a proposed draft of which is communicated as **Exhibit R-3**, of an Order to be issued by the Bankruptcy Court on the *Debtors' Motion for Entry of Orders: (i) (a) Approving Bid Procedures and Bid Protections with Respect to an Auction in Connection with the Debtors' Rights Offering; (b) Scheduling an Auction and Hearing; (c) Approving the Form and Manner of Notice Thereof; and (d) Approving the Release of Certain Claims* dated May 24, 2010 (the "**U.S. Motion**"), a copy of which is communicated as **Exhibit R-4**;

III. PRELIMINARY STATEMENT

5. On or about May 24, 2010, the Petitioners filed their *Plan of Reorganization and Compromise* under the CCAA and under Section 191 of the *Canada Business*

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[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.

Corporations Act (as may be amended from time to time, the "**Canadian Plan**") and a related draft information circular (as amended from time to time, the "**Information Cicular**"). A hearing to consider approval of the procedure with respect to the calling and holding of creditors meeting is currently scheduled for July 9, 2010.

6. On or about May 24, 2010, the U.S. Debtors filed their *First Amended Joint Plan of Reorganization* under Chapter 11 of the *U.S. Bankruptcy Code* (as may be amended from time to time, the "**U.S. Plan**") and a related disclosure statement (as amended from time to time, the "**Disclosure Statement**"). A hearing to consider approval of the Disclosure Statement is currently scheduled for July 7, 2010.

7. The Canadian Plan and the U.S. Plan (together the "**Plans**") contemplate that the Petitioners and the U.S. Debtors (each a "**Debtor**" and collectively the "**Debtors**" and together with the non-Debtor subsidiaries of ABH the "**Company**") will finance distributions to creditors and their ongoing business operations after emergence from the CCAA Proceedings and the Chapter 11 Cases by, among other things, obtaining exit financing and raising up to USD$500 million through the issuance of Notes (as defined below) pursuant to a rights offering made available to the Company's eligible unsecured creditors (the '**Rights Offering**"). To ensure that the Rights Offering raises the required funds, the Debtors have entered into a commitment agreement with certain investors to backstop the Rights Offering (that commitment, the "**Backstop Commitment**").

8. Specifically, on May 24, 2010, the Debtors entered into an agreement with Fairfax Financial Holdings Limited ("**Fairfax**") and Avenue Capital Management II, L.P. (such two parties being the "**BI DIP Lenders**") and certain other of the Company's prepetition noteholders (collectively, the "**Backstop Investors**") concerning their commitment to purchase any Notes that are not subscribed for in the Rights Offering (the "**Commitment Agreement**"). In exchange, the Debtors agreed to (i) pay the Backstop Investors a commitment fee (the "**Backstop Payment**"), (ii) reimburse certain expenses incurred by the Backstop Investors and their professionals in connection with the contemplated transaction (the "**Transaction Expenses**") and (iii) indemnify the Backstop Investors (each as described below and collectively, the "**Aggregate Commitment Payments**").

9. Because the Commitment Agreement guarantees the success of the Rights Offering and thereby significantly reduces the financing risks associated with consummating the Plans, the Petitioners submit that, in the exercise of their business judgment, the Aggregate Commitment Payments are fair and reasonable, and entry into the Commitment Agreement is in the best interests of the Debtors' estates and all parties in interest.

10. To make certain that (a) the terms of the Backstop Commitment and (b) the terms of the Notes to be issued under the Plan pursuant to the Rights Offering (collectively, the "**Issuance Terms**") set forth in the Commitment Agreement are the most favourable terms available under the circumstances, the Debtors specifically negotiated for the ability to conduct a public auction process by

which the Debtors will market test the Issuance Terms. Accordingly, by this Motion, the Petitioners also request that the Court approve Bid Procedures (defined below) and grant other relief in connection with this marketing process.

11. In exchange for the ability to conduct this auction process and in consideration for the Backstop Investors' willingness to serve as the "stalking horse" bidder, the Debtors have agreed to make a payment to the Backstop Investors (as described in detail below, the "**Termination Payment**") if the Commitment Agreement terminates because, among other events, the Debtors obtain superior Issuance Terms to those set forth in the Commitment Agreement. The Petitioners believe that market testing the Issuance Terms will provide significant value to the Debtors' estates and will ensure that the Company obtains the most favourable terms available for both the Backstop Commitment and the underlying Notes. The Petitioners believe that the Termination Payment, which would be payable only in circumstances where the Backstop Payment is not earned, is a reasonable expense under the circumstances and constitutes an appropriate form of bid protection for the Backstop Investors.

12. Finally, the Petitioners seek the issuance of the Recognition Order in connection with an order to be issued by the Bankruptcy Court on the U.S. Motion, which, if granted, will, *inter alia*, grant relief in respect of the U.S. Debtors, including the Section 18.6 Petitioners, comparable to that sought in respect of the Petitioners in the Bid Procedure Order and provide for the release by the U.S. Debtors and the statutory committee of unsecured creditors appointed by the Office of the United States Trustee for the District of Delaware on April 28, 2009 (the "**Creditors Committee**") of certain claims against Fairfax, one of the Backstop Investors, in connection with the 8.0% Convertible Notes due April 15, 2013 issued by AbitibiBowater Inc. and guaranteed by Bowater Incorporated (the "**Convertible Notes**"). The U.S. Motion provides details of such release and the reasons the U.S. Debtors are seeding its approval by the Bankruptcy Court.

13. For the reasons set forth herein, the Petitioners request that the Court (i) approve the Bid Procedures (as defined below) with respect to the auction process for the Issuance Terms, including the payment of the Termination Payment, if due pursuant to the Commitment Agreement, and of the Transaction Expenses and grant associated relief, and (ii) upon the conclusion of the auction process, authorize the Debtors to enter into the Commitment Agreement with the Backstop Investors or, in the event that another party submits a more favourable bid, such winning investor, and make all payments thereunder. The Petitioners also request that the Court issue the Recognition Order.

IV. BACKGROUND

1. <u>Status of the CCAA Proceedings and Chapter 11 Cases</u>

14. The Company has made significant progress towards confirmation and consummation of viable Plans, respectively, that will enable the Company to emerge as a successful going-concern. On or about May 24, 2010, the Company

filed the U.S. Plan in the U.S. Bankruptcy Court and the Monitor filed, on behalf of the Company, the Canadian Plan in the Court. Together, the Plans contemplate repayment in full in cash of all of the Company's prepetition and postpetition secured debt, and recoveries for unsecured creditors in the form of equity in the reorganized Company ("**New ABH Stock**"). Concurrent with these filings, the Company also filed the Disclosure Statement with respect to the U.S. Plan and the Information Circular with respect to the Canadian Plan.

15. The Petitioners intend to file shortly a motion seeking approval of the procedure with respect to the calling and holding of creditors meeting with respect to the Canadian Plan and other relief (the "**Meeting Motion**") and the U.S. Debtors intend to file a motion seeking approval of their proposed solicitation materials and procedures with respect to the U.S. Plan (the "**Solicitation Motion**") shortly. The Meeting Motion and Solicitation Motion will also seek approval of the proposed subscription materials and procedures for the Rights Offering.

16. A hearing on the Meeting Motion is presently set for July 9, 2010 before this Court and a hearing on the Solicitation Motion is presently set for July 7, 2010 before the Bankruptcy Court, at which dates the Debtors will seek authorization to commence the Plan solicitation process and the Rights Offering.

2. <u>The Rights Offering and Backstop Commitment Agreement</u>

17. The Company will need to raise significant capital to satisfy its obligations under the Plans and emerge as a successful going-concern. The Company and its advisors will endeavor to raise the requisite amount of capital through appropriate exit financing facilities. however, in the event that the Company requires financing in addition to the capital that it is able to raise in the exit financing markets, it will have access to proceeds from the Rights Offering.

18. As proposed, the Rights Offering is an alternate capital source that the parties intend to utilize only to the extent necessary to supplement the Company's available exit financing package. Thus, while the Plans presently contemplate that the Company will provide eligible unsecured creditors with the opportunity to purchase their *pro rata* share of up to $500 million of unsecured convertible notes (the "**Notes**") through the Rights Offering, the Company has the ability to reduce the size of the Rights Offering (or cancel it altogether) if the Company raises the necessary exit financing from other sources.

19. The Company and its advisors have determined, in consultation with the key constituents, that securing a portion of the Company's financing needs now through the Rights Offering is the prudent course of action. In addition, to ensure that the Rights Offering yields the full amount of new capital required by the Company, the Company and its advisors have obtained the Backstop Commitment.

3. <u>Commitment Agreement</u>

20. The Debtors, the Backstop Investors (comprised of some of the Company's largest bondholders), and their respective advisors have engaged in extensive, good faith, arm's-length negotiations regarding the terms of a Backstop Commitment. The resulting Commitment Agreement, a copy of which is communicated as **Exhibit R-5**, guarantees the success of the Rights Offering by providing that the Backstop Investors will purchase any unsubscribed-for Notes on the effective date of the Plan, and does so on fair and reasonable terms. The Debtors intend for the Commitment Agreement to serve as a "stalking horse" bid in a formal auction process designed to ensure that the Issuance Terms are as competitive and favorable to the Debtors as possible. The Debtors believe that the Commitment Agreement is a strong platform from which they can solicit competing proposals during the auction process. Importantly, the Commitment Agreement also acknowledges that the Debtors will continue to consider and pursue alternate sources of capital and, as such, may choose to reduce or cancel the Rights Offering.

21. The key terms of the Backstop Commitment as set forth in the Commitment Agreement are as follows: [6]

Provision	Description of Backstop Commitment
Size of Rights Offering and Exercise Price	$500 million in unsecured convertible notes (described below), at a purchase price of $1 per Note. The Rights Offering is subject to reduction in size or cancellation prior to the effective date of the Plan, in the sole discretion of the Company.
Participation in Rights Offering	Rights will be offered to holders of general unsecured claims that are Eligible Holders, based on the pro rata amount of the Common Shares to be received by such Eligible Holder under the Plans as a distribution in respect of its Eligible Claims, in relation to all Common Shares distributed to all Eligible Holders under the Plans.
Backstop Obligation	Fully backstopped by the Backstop Investors; each Investor is severally, but not jointly, liable for the percentage commitment set forth in the Commitment Agreement.
Duration	The Outside Date will occur on the later of (i) October 15, 2010 and (ii) the date that is the earlier to occur of (x) December 31,

6 The summary of the terms of the Commitment Agreement contained in this Motion is qualified in its entirety by reference to the Commitment Agreement, and any conflict between this Motion and the Commitment Agreement shall be resolved in favor of the Commitment Agreement. Capitalized terms used in this section and not otherwise defined in this Motion shall have the meanings ascribed to them in the Commitment Agreement.

Provision	Description of Backstop Commitment
	2010 and (y) the latest date on which any of the Company's commitments for Exit Financing Facilities are scheduled to expire, so long as the Company's commitments for the Exit Financing Facilities are in form and substance reasonably acceptable to Majority Investors.
Aggregate Commitment Payments	Backstop Payment equal to the greater of $15 million and 6% of the total size of the Rights Offering (as may be reduced), which percentage is half payable in Cash and half payable in New ABH Stock (subject to a Backstop Investor's election to receive the total payment in New ABH Stock), to be paid on the effective date of the Plan if the Commitment Agreement has not terminated by its terms prior to the effective date. The reasonable out-of-pocket expenses incurred by the Backstop Investors in connection with the transaction on the terms set forth in the Commitment Agreement.
Indemnification of Backstop Investors	Customary indemnification of the Backstop Investors by the Company against any and all losses, claims, damages, liabilities and expenses to which any of the Backstop Investors may become subject in connection with or arising out of the proposed transaction, including the Rights Offering, the Backstop Commitment, the Commitment Agreement or other transaction documents, and the purchase and sale of the Notes, subject to carve-outs for (i) Backstop Investors who default on their obligations under the Commitment Agreement, (ii) bad faith, gross negligence or willful misconduct, and (iii) to the extent a right to indemnification arises from an Investor's assignment of any of its rights or obligations under the Commitment Agreement to a third-party.
Conditions to Backstop Investors' Obligations	Customary conditions precedent, including: (a) filing of Plans and Disclosure Statements that are reasonably acceptable to the Majority Investors within 5 business days of the execution of the Commitment Agreement; (b) approval by the Courts of the Termination Payment and the Commitment Agreement; (c) entry by the Courts of orders approving the Plans on terms reasonably satisfactory to the Majority Investors; and (d) exit financing on terms and conditions reasonably satisfactory to the Majority Investors.

Provision	Description of Backstop Commitment
Disclosure Statement and Information Circular Support	The Backstop Investors covenant to support the Disclosure Statement with respect to the Plan and the information circular with respect to the CCAA Plan, and covenant not to take any negative action to interfere with approval of thereof. Pursuant to section 12(e) of the Commitment Agreement, this covenant survives termination of the Commitment Agreement.
Plan Support Covenant	The Backstop Investors covenant to enter into a plan support agreement on customary terms (the **"Plan Support Agreement"**, substantially in the form attached to the Commitment Agreement) within 2 business days of entry of orders by the Courts approving the Disclosure Statement and the Circular Order, whichever order is later in time. The Debtors will seek approval of the Plan Support Agreement by separate motion. Pursuant to section 12(e) of the Commitment Agreement, this covenant survives termination of the Commitment Agreement.
Termination Payment	The Backstop Investors shall be entitled to receive a Termination Payment on the Effective Date or the effective date of a plan that is confirmed if the Commitment Agreement terminates for any of the following reasons: (a) the Company shall not have pursued an alternative transaction and the U.S. Bankruptcy Court or the Canadian Court shall not have entered an order approving the Commitment Agreement by July 10, 2010; (b) Occurrence of the Outside Date; (c) Plan Support Agreements are terminated by the Company or the Majority Investors; (d) delivery of a Satisfaction Notice or a public announcement from the Company that it has obtained sufficient capital from alternative sources and does not require and/or will not seek to complete the Rights Offering; (e) the Company breaches the Commitment Agreement in any material respect, or is in material breach of any of its representations and warranties contained herein and in each case fails to cure such breach, if curable, within ten (10) days after notice of such breach is given to the Company by an Investor; (f) the Company withdraws the Plans, announces its intention not to support the Plans, or pursues other plans or alternative transactions;

Provision	Description of Backstop Commitment
	(g) the U.S. Bankruptcy Court dismisses or converts the Company's chapter 11 case, or appoints a trustee or examiner with enlarged powers; (h) the Company's CCAA case is converted into a bankruptcy case or a trustee, receiver, receiver and manager or liquidator is appointed in respect of the Company; (i) the failure of the Company to satisfy certain conditions precedent (which failure cannot be cured by the earlier of the Effective Date or the Outside Date), or the date on which any of the conditions precedent become incapable of being satisfied; (j) the Disclosure Statement Order and Circular Order have not been entered or issued by July 29, 2010; or (k) the Company terminates the Commitment Agreement, in its sole discretion, for any reason other than those set forth in clauses (c)(1) through (c)(iv) of section 12 of the Commitment Agreement. The amount of the Termination Payment depends on the timing of termination. If a Termination Payment Trigger occurs: (i) after the date on which the Termination Payment is approved by the U.S. Bankruptcy Court but on or before the earlier of (x) the date on which this Commitment Agreement is approved by the U.S. Bankruptcy Court and (y) the later date on which an alternative transaction is approved by the U.S. Bankruptcy Court or Canadian Court (the "**Approval Date**"), the Termination Payment payable to all Investors shall be an aggregate amount equal to the lesser of (x) $15,000,000 and (y) 5% of the capital raised in any alternative transaction, but not less than $7,500,000; (ii) after the Approval Date but on or before October 15, 2010, the Termination Payment payable to all Investors shall be an aggregate amount equal to $15,000,000; or (iii) after October 15, 2010, the Termination Payment payable to all Investors shall be an aggregate amount equal to the greater of (x) $15,000,000 and (y) 6% of the Amount as in effect on October 15, 2010.
Termination Events	In addition to the termination events set forth in section 12 of the Commitment Agreement that give rise to a Termination Payment, the Commitment Agreement is subject to termination

Provision	Description of Backstop Commitment
	for any of the following reasons: (i) by mutual consent of the Majority Investors and the Company; (ii) (A) the U.S. Bankruptcy Court shall not have entered an order approving the Termination Payment, the reimbursement of Transaction Expenses and other relief requested by the Company, and the Canadian Court shall not have approved the Termination Payment, the reimbursement of Transaction Expenses and other relief requested by the Company, in each case, by June 25, 2010; and (B) if and to the extent the motion for approval of the Termination Fee contains a motion for relief that is specific to any Investor, then such Investor shall have the individual right to terminate, without the consent of the Majority Investors, should such relief not be approved by June 25, 2010; provided, that if any such Investor does so terminate pursuant to clause (B) above, then the other Investors may also elect to terminate, without the consent of the Majority Investors;
Competing Bids	The Backstop Commitment is subject to better offers. The Company may solicit competing bids through an auction process promptly upon entry of the Bid Procedures Order.

22. The Debtors believe that these terms are fair and reasonable and reflect market terms for such financing agreements.

23. The Commitment Agreement also sets forth the principal terms of the Notes to be issued under the Rights Offering contemplated in the Plans in a term sheet annexed thereto (the "**Notes Term Sheet**"). As set forth in the Notes Term Sheet, the parties presently contemplate that the Company will issue Notes on the following terms:[7]

Provision	Description of Notes
Issuer	AbitibiBowater Inc., a holding company incorporated under the laws of the United States or Canada, as formed or reorganized pursuant to the Plans (the "**Company**").

7 The summary of the Notes Term Sheet contained in this Motion is qualified in its entirety by reference to the Notes Term Sheet, and any conflict between this Motion and the Notes Term Sheet shall be resolved in favor of the Notes Term Sheet. Capitalized terms used in this section and not otherwise defined in this Motion shall have the meanings ascribed to them in the Notes Term Sheet.

Provision	Description of Notes
Issue Amount	New Notes (which collectively shall consist of §1145 Notes and Backstop Notes (each as hereinafter defined)) to be issued in an amount (the "**Amount**") not to exceed the lesser of: A) US$500 million; and B) the sum of: (i) US$325 million; and (ii) US$1,400 million less the sum of the Available Cash (as defined below) of the Company as of the Effective Date and aggregate principal amount of term indebtedness outstanding under the Exit Financing Facilities (as described in the Plans) and any other available facilities at such time. The Amount is subject to further reduction by the amount of Liquidity (as defined in the Commitment Agreement) of the Company at the Effective Date in excess of $600 million. Any such reduction will be made as provided by the Backstop Commitment Agreement.
Coupon	10%, payable semi-annually in arrears commencing on the date that is six months after the Closing Date, computed on the basis of a 360-day year composed of twelve 30-day months. Subject to any required regulatory approval and provided no event of default has occurred and is continuing, with respect to any interest period, the Company shall have the option to pay half (i.e., 5%) of such interest by issuing additional New Notes ("**PIK Notes**"), *provided* that if the Company so elects to pay half of the coupon in PIK Notes, the portion of the coupon so payable with respect to such interest period shall be 6% rather than the 5% that would have been payable by the Company had it paid in cash.
Upfront Payment	The Company will pay to each Eligible Holder that subscribes to Rights to purchase New Notes an amount equal to 4% of the aggregate principal amount of such New Notes on the Effective Date, upon issuance of the New Notes.
Use of Proceeds	The proceeds from the issuance and sale of the New Notes shall be used to fund the Debtors' cash needs in connection with consummation of the Plans.
Closing Date / Outside Date	The date of the consummation of the Plans in form and substance reasonably acceptable to the Investors and consistent with the Backstop Commitment Agreement, and the New Notes Term Sheet (the "**Closing**"), which date shall be no later than the later to occur

Provision	Description of Notes
	of (A) October 15, 2010 and (B) the date that is the earlier to occur of (x) December 31, 2010 and (y) the latest date on which any of the Company's commitments for Exit Financing Facilities are scheduled to expire so long as the Company's commitments for the Exit Financing Facilities are acceptable to Majority Investors (as defined in the Backstop Commitment Agreement).
Exemptions / Transfers	The issuance of Rights to the creditors and the exercise of the Rights are intended to be exempt from registration under the Securities Act pursuant to Section 1145 of the Bankruptcy Code and exempt from any prospectus requirement under corresponding Canadian securities laws exemptions. The amount of New Rights that each Eligible Holder may subscribe for in the Rights Offering may be decreased by the Issuer to the extent required to allow the Rights Offering to be exempt from registration under the Securities Act pursuant to Section 1145 of the Bankruptcy Code.
Maturity Date	7 years
Mandatory Redemption	If the reorganized Company sells certain specifically identified assets within six months of the issuance of the Notes resulting in net cash proceeds of more than $100 million, the proceeds of the sale must be used to redeem a portion of the Notes at 105% of par value, plus accrued and unpaid interest to the redemption date, subject to certain conditions set forth in the Notes Term Sheet.
Conversion Price	The New Notes shall be convertible as described below into the common stock, par value $0.001 per share, of the Company (the "**Common Shares**") at the Conversion Price. The "**Conversion Price**" shall equal (x) $1,800 million (plus any consideration to be received upon issuance of Common Shares outstanding on a fully-diluted basis on the Effective Date after giving effect to the consummation of the Plans, other than Common Shares issuable upon conversion of the New Notes and any Common Shares issued as part of the backstop payment described below) divided by (y) the number of Common Shares outstanding on a fully diluted basis on the Effective Date after giving effect to the consummation of the Plans, other than Common Shares issuable upon conversion of the New Notes and any Common Shares issued as part of the backstop payment described below, the issuance of which would be anti-dilutive as of the Effective Date.

Provision	Description of Notes
Guarantees	The New Notes will be guaranteed by the wholly-owned U.S. subsidiaries of the Company (the "**Guarantees**").
Ranking	The New Notes and the Guarantees shall be subordinated in right of payment to the Company's and the Guarantors' obligations under the Company's Exit Financing Facilities, which may include unsecured financings (or replacements or refinancings thereof), and any other unsecured or secured senior debt in an amount not to exceed $200 million in the aggregate. Except as provided in the preceding sentence, the New Notes and the Guarantees shall be *pari passu* in right of payment with all senior unsecured obligations of the Company or the relevant Guarantor.
Conversion Rights	As set forth in the Notes Term Sheet.
Conversion Adjustments	As set forth in the Notes Term Sheet.
Redemption	As set forth in the Notes Term Sheet.
Fundamental Change	As set forth in the Notes Term Sheet.
Covenants; Events of Default	Will contain a customary SEC and Canadian Commission reporting covenant. Will contain events of default customary for market converts. Will permit the Company to elect that the sole remedy for a default caused by a failure to comply with the reporting covenant be the payment of additional interest on the Notes for up to 180 days, rather than acceleration.
Registration Rights for the Backstop Notes	With respect to the Backstop Notes and the Common Shares issuable upon conversion thereof, the Company will: • file with SEC within 30 days after the earlier of (i) the date the Company becomes S-3 eligible (and has filed the information required by Part III of Form 10-K) and (ii) April 30, 2011, and • use commercially reasonable efforts to cause to become effective within 75 days after the earlier of (i) the date the Company becomes S-3 eligible (and has filed the information required by Part III of Form 10-K) and (ii) April 30, 2011, a shelf registration statement with respect to the resale of the Backstop Notes and the underlying Common Shares upon conversion of the Backstop Notes.

Provision	Description of Notes
	If the Company fails to file such shelf registration statement or register the Backstop Notes and the underlying Common Shares upon conversion of the Backstop Notes by the dates set forth above, the Company will be required to pay additional interest of 0.25% per annum to the holders of the Backstop Notes until such time as the registration statement becomes effective. The Company will keep the registration statement effective until the date that is two years from the date of effectiveness of the registration statement.

24. The final terms of the Notes will be determined through the auction process. Those terms, once finalized, will be included in any subscription forms and mailings that are approved by the Court in connection with approval of the Information Circular.

4. Bid Procedures

25. The Petitioners propose that the following procedures (the "**Bid Procedures**") govern the auction regarding the Issuance Terms:[8]

Provision	Description of Bid Procedures Provision
Due Diligence	A Potential Investor who executes an acceptable confidentiality agreement may conduct due diligence from the date an order is entered approving the Bid Procedures and the Termination Payment until the Bid Deadline. The Debtors shall provide Potential Investors with reasonable diligence information as requested.
Bid Deadline	Binding bids must be received by **5:00 p.m. (ET)** on **June 18, 2010** by the Company, the Backstop Investors, the Creditors Committee, the Monitor and their respective advisors.
Qualified Bid Requirements	Only investors who submit "Qualified Bids" may participate in the Auction. A Qualified Bid must: 1. be in writing;

[8] The summary of the Bid Procedures contained in this Motion is qualified in its entirety by reference to the Bid Procedures, annexed as Exhibit A to the form of Bid Procedures Order, and any conflict between this Motion and the Bid Procedures shall be resolved in favor of the Bid Procedures. Capitalized terms used in this section and not otherwise defined in this Motion shall have the meanings ascribed to them in the Bid Procedures.

Provision	Description of Bid Procedures Provision
	2. be accompanied by a clean and a duly executed Commitment Agreement, along with all exhibits thereto, including the Notes Term Sheet and the Plan Support Agreement; 3. include a mark-up of the Commitment Agreement that reflects all amendments and modifications thereto with respect to both the terms of the Backstop Commitment and the Notes Term Sheet; 4. specifically identify modifications or alterations to the terms of the Plan, if any, contemplated or necessitated by the terms or structure of the bid; 5. not be conditioned on any contingency, including on obtaining financing, shareholder, board of directors or other approval, and/or the outcome or completion of a due diligence review; and 6. must remain irrevocable until 72 hours after the Auction. In addition, each Potential Investor must: A. provide sufficient and adequate information to demonstrate, to the Company's satisfaction, in consultation with advisors to the Creditors Committee and the Monitor, that such Potential Investor has the financial wherewithal and ability to provide the Backstop Commitment; B. provide sufficient and adequate information to demonstrate, to the Company's satisfaction, in consultation with advisors to the Creditors Committee and the Monitor, that such Potential Investor is duly authorized by any applicable boards or other type of internal governance to submit, execute and provide the Backstop Commitment; and C. not be entitled to any break-up fee, transaction fee, Termination Payment, expense reimbursement or any similar type of payment or reimbursement.
Auction	If one or more Qualified Bids are received by the Bid Deadline, an Auction shall commence on June 21, 2010 at 10:00 a.m. (ET) at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 or such other time or place as the Company shall timely notify the Qualified Bidders. Prior to the Auction, the Company will select, after consultation with the advisors to the Creditors Committee and the Monitor, the highest or otherwise best Qualified Bid to serve as the "Starting Bid" and will notify the Qualified Bidders of such selection before the Auction.
Auction Procedures	The Auction will be conducted in accordance with the following: A. the Qualified Bidders shall appear in person at the Auction, or

Provision	Description of Bid Procedures Provision
	through duly-authorized representatives; B. only such authorized representatives of each of the Qualified Bidders, the Company, and its respective advisors, and the advisors to the Creditors Committee and the Monitor shall be permitted to attend the Auction; C. bidding at the Auction shall begin at the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by a Qualified Bidder that (i) improves upon such Qualified Bidder's immediately prior Qualified Bid and (ii) the Debtors determine, in consultation with the advisors to the Creditors Committee and the Monitor, is a higher or otherwise better offer than any other bids submitted in the prior round; D. only the Qualified Bidders shall be entitled to submit additional bids at the Auction; E. the Backstop Investors shall receive a credit equal to the amount of the Termination Payment when bidding at the Auction; F. each bidder will be informed of the terms of the previous bids; G. the Auction may, in the Company's discretion, include individual negotiations, in consultation with advisors to the Creditors Committee and the Monitor, with bidders and/or open bidding in the presence of all of the other Qualified Bidders; H. each bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the Backstop Commitment. The Company, in consultation with advisors to the Creditors Committee and the Monitor, may announce other Auction Procedures at the Auction.
Successful Bid	The Auction shall continue until the Company selects, in consultation with advisors to the Creditors Committee and the Monitor, the highest or otherwise best offer with respect to the Issuance Terms.
Hearing	A hearing to consider approval of the Successful Bid shall take place in the Bankruptcy Court on **June 22, 2010 at 11:00 a.m. (ET)** and in this Court on a date to be scheduled.

26. The Petitioners submit that the Bid Procedures are fair and reasonable and are carefully tailored to yield the most favorable Issuance Terms in an efficient and timely manner.

5. **Termination Payment, Transaction Expenses and Indemnification**

27. As noted above, to compensate the Backstop Investors for the risks and costs associated with serving as a stalking horse in accordance with the Bid Procedure Order, and in light of the significant benefits that inure to the Debtors' estates as a result thereof, the Debtors have agreed to provide the Backstop Investors with certain bid protections, including a Termination Payment and Transaction Expenses. Specifically, in the event that the Commitment Agreement terminates before it is approved by this Court because, for example, the Debtors select a different investor or group of investors at the auction, the Debtors will pay the Backstop Investors a Termination Payment equal to the lesser of (a) $15 million and (b) 5% of the capital raised by any alternate transaction, but in any event no less than $7.5 million.

28. The Backstop Investors also may become entitled to a Termination Payment after the auction process concludes and this Court has authorized the Debtors to enter into the Commitment Agreement with the Backstop Investors. If the Termination Payment becomes payable on or before October 15, 2010, the amount of the Termination Payment will be $15 million. If the Termination Payment becomes payable thereafter, the amount of the Termination Payment increases to the greater of (a) $15 million and (b) 6% of the size of the Rights Offering as of October 15, 2010. In other words, after the auction process has concluded and the Debtors have determined to enter into the Commitment Agreement with the Backstop Investors, the Termination Payment is intended to compensate the Backstop Investors for the funds that they have reserved and committed under the Commitment Agreement, and the commensurate benefit to the Debtors' estates of their commitment to reserve such funds. The longer that commitment remains outstanding, the higher the level of compensation.

29. Similarly, upon Court approval of the Commitment Agreement, the Debtors have agreed to indemnify the Backstop Investors against any and all losses, claims, damages, liabilities and expenses to which any of the Backstop Investors may become subject in connection with or arising out of the proposed transaction. This indemnity does not apply to Backstop Investors who default on their obligations under the Commitment Agreement or to losses, claims, damages, liabilities and expenses resulting from a Backstop Investor's bad faith, gross negligence or willful misconduct.

30. The Petitioners believe that the Termination Payment, Transaction Expenses and the indemnity are appropriate and reasonable under the circumstances, and submit that without these associated fees and expenses the Backstop Investors would not have (i) agreed to enter into the Commitment Agreement, (ii) permitted the Debtors to conduct an auction with respect to that commitment or (iii) allowed the Debtors to reduce or cancel the Rights Offering at any time prior to the effective date of the Plan. Importantly, the Commitment Fee and the Termination Payment are mutually exclusive: there is no circumstance under

which the Backstop Investors would receive both the Commitment Fee (which is payable only upon consummation of the Rights Offering) and the Termination Payment (which is payable only upon certain Termination Events). Accordingly, in light of the significant benefits provided by having a backstop to the Rights Offering and the ability to seek more favorable terms therefor, the Debtors have determined, in the exercise of their business judgment, that entry into the Commitment Agreement with the Termination Payment is appropriate under the circumstances and in the best interests of the Debtors' estates and all parties in interest.

6. Notice of Auction

31. To ensure a rigorous auction process in which all potentially interested investors have the opportunity to participate, the Petitioners propose to provide notice of the Bid Procedure Order by mail to: (a) counsel to the Creditors Committee; (b) counsel to the agents for the Debtors' prepetition secured bank facilities; (c) counsel to the agent for the BI DIP Lenders; (d) counsel to the agent for the Debtors' securitization facility; (e) the Monitor; (f) the Service List; and (g) all parties that have contacted the Debtors or their advisors in connection with participating in the Rights Offering or providing any other form of exit financing. The Petitioners submit that such notice is sufficient and proper notice that will result in full participation in the auction process by all interested parties.

V. GROUNDS FOR THIS MOTION

1. Commitment Agreement

32. The Debtors' decision to enter into the Commitment Agreement is supported by sound business justifications. The Company will need to raise significant new capital to fund its emergence from the CCAA proceedings and chapter 11 Cases and operations thereafter. The Backstop Commitment guarantees the availability of up to $500 million if the Company fails to raise sufficient exit financing capital from other sources. The Backstop Commitment thus eliminates the risks associated with an undersubscribed Rights Offering, and provides the Company and other parties in interest with significant comfort concerning the availability of a significant portion of the Company's capital needs at emergence.

2. The Terms of the Commitment Agreement are Reasonable and Appropriate

33. The specific terms of the Commitment Agreement are the result of arm's-length, good faith negotiations among the Company and the Backstop Investors. The Petitioners believe that the terms of the Commitment Agreement are fair and reasonable, and reflect market terms for such agreements. Among other things, the Commitment Agreement acknowledges that the Debtors may reduce the size of the Rights Offering, or cancel it entirely, if the Debtors obtain sufficient funds through an exit financing package on superior terms. Under the terms of the Commitment Agreement, the Backstop Investors' obligation to backstop the

Rights Offering continues, so long as the Rights Offering is conducted in any amount. Similarly, the Commitment Agreement expressly allows the Debtors to market test the terms of the Backstop Commitment through a public auction, thus assuring that the Debtors obtain the best terms available under the circumstances.

34. The Aggregate Commitment Payments, including the Termination Payment and Transaction Expenses, are reasonable in light of the benefits they provide to the Debtors' estates and are necessary to induce the Backstop Investors to enter into the Commitment Agreement. Under the terms of the Commitment Agreement, the Backstop Investors have committed to provide, if need be, up to $500 million in new capital. This is a significant financial commitment, and one which inherently carries a degree of uncertainty - as the Backstop Investors will not know the full size of their funding obligations until after the Rights Offering subscription period has concluded. Given the potential size of the funding obligation and the importance of that funding to the Company's ability to timely emerge from bankruptcy, the Debtors submit that the Aggregate Commitment Payments are fair, reasonable and necessary under the circumstances.

35. The amount of the Aggregate Commitment Payments are well-within the range of similar fee structures that have been approved by U.S. and Canadian Courts in similar circumstances.

36. Similarly, the indemnification provisions of the Commitment Agreement are an appropriate exercise of the Debtors' business judgment. Such provisions are standard in backstop commitment agreements, like this Commitment Agreement, and were required to obtain the Backstop Investors' entry into the Commitment Agreement.

37. The Plan Support Covenant is an important element of the Commitment Agreement that provides significant benefits to the Debtors' estates. By this covenant, the Backstop Investors have indicated that, subject to certain terms and conditions including the attainment of predetermined recovery rates, they will commit to support the Company's efforts to consummate the Plans. This covenant also ensures that any winning investor at the Auction will similarly support the Company's efforts with respect to the Plans. As such, this covenant is extremely valuable to the Company. The Petitioners will seek authorization to enter into the Plan Support Agreement with the Backstop Investors and, to the extent applicable, the winning investor by a separate motion to be heard by this Court.

3. The Bid Procedures and Termination Payment are Appropriate and Reasonable

38. The Bid Procedures are designed to ensure that the terms of both the Backstop Commitment and the Notes to be issued under the Plans are the best terms presently available in the market, thereby maximizing value for the Debtors' estates. To that end, the Bid Procedures establish certain ground rules for the

auction process that streamline the process of comparing different offers and provide the Debtors with flexibility to ensure the most advantageous result, among other things. While a formal bid and auction process is not frequently utilized with respect to aspects of a Rights Offering, such processes are commonplace for asset sales and have been uniformly approved.

39. The Petitioners believe that the proposed Bid Procedures will promote active bidding from serious potential investors interested in providing the backstop for the Rights Offering and accordingly will yield the best Issuance Terms possible under the circumstances. Because the Bid Procedures will enable the Debtors to confirm that the Issuance Terms, as set forth in the Commitment Agreement, are the most advantageous terms available, the Petitioners submit that the proposed Bid Procedures are reasonable and an appropriate means to test the terms of the Commitment Agreement for the benefit of their estates.

4. Termination Payment and Transaction Expenses

40. To compensate the Backstop Investors for serving as a "stalking horse" in this auction process and in light of the substantial benefit the Backstop Investors are providing to the Debtors' estates by virtue of serving as such, the Petitioners seek approval of sections 2(d) and (e) of the Commitment Agreement, which provide that the Backstop Investors will receive a Termination Payment and Transaction Expenses, in certain events, in conjunction with approval of the Bid Procedures.

41. As set forth in the Commitment Agreement, upon entry of an order approving the Motion, the Termination Payment shall constitute, in the context of the Chapter 11 Cases, an allowed superpriority administrative expense claim of AbitibiBowater Inc. that is junior to certain superpriority and administrative claims arising. No charge is sought from the Court in the context of the CCAA Proceedings in connection with the Termination Payment; however this Motion seeks an Order of this Court recognizing the Bankruptcy Court's Order.

42. As a form of bid protection, the Termination Payment will compensate the Backstop Investors for the benefit they provide to the Debtors' estates by setting a baseline against which competing offers can be measured. If the auction process yields a more favorably alternative transaction, the Termination Payment will compensate the Backstop Investors for the funds they have committed on account of their Backstop Commitment obligations.

43. The Petitioners submit that the Termination Payment and Transaction Expenses should be approved. First, all negotiations between the Debtors and the Backstop Investors have been conducted in good faith and at arm's length. Second, based on the Debtors' negotiations to date, the Debtors believe that the Termination Payment and Transaction Expenses are necessary to attract and retain the Backstop Investors, and that without approval of the same, the Debtors would lose the certainty and substantial benefits provided by the Backstop Commitment. Third, the Backstop Investors are providing a substantial benefit to the Debtors' estates by establishing a floor against which other potential bids

may be judged, which will facilitate a rigorous Auction process.

44. Moreover, the Termination Payment, which represents 3% of the amount of the $500 million Rights Offering (subject to certain modifications depending on the timing of a triggering termination event and the ultimate size of the Rights Offering), constitutes a fair and reasonable percentage of the proposed total investment by the Backstop Investors and is within the range of other such break-up fees that have been approved by courts, even in cases where no further formal marketing of the commitment is contemplated.

45. Here, where the Company has specifically negotiated for both the ability to market test the terms of the Commitment Agreement through a formal auction process and the ability to reduce the size of, or cancel entirely, the Rights Offering, the likelihood that the transaction contemplated by the Backstop Parties does not occur is higher than usual. For this reason, the inclusion of the Termination Payment and Transaction Expenses was a condition of the Backstop Investors' willingness to enter into the Commitment Agreement. Accordingly, the Debtors submit that the Termination Payment and Transaction Expenses are fair and reasonable and should be approved.

5. Provisional Execution

46. The Petitioners request execution notwithstanding appeal of the Bid Procedures Order to enable the Company to immediately begin its auction process regarding the Issuance Terms. The Meeting Motion and Solicitation Motion will also seek approval of the proposed subscription materials and procedures for the Rights Offering.

47. A hearing on the Meeting Motion is presently set for July 9, 2010 and a hearing on the Solicitation Motion is presently set for July 7, 2010. To ensure that the Debtors provide sufficient notice to this Court and all parties in interest regarding the Rights Offering, including the final Issuance Terms, the auction process must have concluded prior to that date. At the same time, however, a robust auction process depends on providing Potential Investors with sufficient time to conduct due diligence. To satisfy both of these requirements and still be ready for the above mentioned hearings, the Debtors must commence their auction process promptly.

WHEREFORE MAY THIS COURT:

[1] **GRANT** this *Motion for the Issuance of (i) (a) an Order Approving Bid Procedures and Bid Protections with Respect to an Auction in Connection with the Petitioners' Rights Offering; (b) Scheduling an Auction and Hearing; (c) Authorizing the Petitioners to Make Certain Payments; and (d) Approving the Form and Manner of Notice Thereof; (ii) an Order Authorizing the Petitioners to (a) Enter into a Backstop Commitment Agreement and (b) Make Certain Payments Thereunder; and (iii) a Recognition Order* (the "**Motion**").

[2] **EXEMPT**, if applicable, the Petitioners from having to serve this Motion and from any notice or delay of presentation.

[3] **ISSUE** orders substantially in the form of the draft orders communicated as Exhibits R-1, R-2 and R-3 in support of the Motion

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

Montréal, June 4, 2009

Stikeman Elliott LLP

Stikeman Elliott LLP
Attorneys for the Petitioners

AFFIDAVIT

I, the undersigned, Bruce Robertson, having my principal place of business at 39, Winford Dr., Toronto, Ontario, M3C 3K5 solemnly declare the following:

1. I am the Chief Restructuring Officer of AbitibiBowater Inc.;

2. All the facts alleged in the present *Motion for the Issuance of (i) (a) an Order Approving Bid Procedures and Bid Protections with Respect to an Auction in Connection with the Petitioners' Rights Offering; (b) Scheduling an Auction and Hearing; (c) Authorizing the Petitioners to Make Certain Payments; and (d) Approving the Form and Manner of Notice Thereof; (ii) an Order Authorizing the Petitioners to (a) Enter into a Backstop Commitment Agreement and (b) Make Certain Payments Thereunder; and (iii) a Recognition Order* are true.

AND I HAVE SIGNED:

BRUCE ROBERTSON

Solemnly declared before me at TORONTO
on the 4th day of June, 2010

Name: Paloma Ellard
Title:

NOTICE OF PRESENTATION

TO : SERVICE LIST

TAKE NOTICE that the *Motion for the Issuance of (i) (a) an Order Approving Bid Procedures and Bid Protections with Respect to an Auction in Connection with the Debtors' Rights Offering; (b) Scheduling an Auction and Hearing; (c) Authorizing the Petitioners to Make Certain Payments; and (d) Approving the Form and Manner of Notice Thereof; (ii) an Order Authorizing the Debtors to (a) Enter into a Backstop Commitment Agreement and (b) Make Certain Payments Thereunder; and (iii) a Recognition Order* will be presented for adjudication before one of the Honourable Judges of the Superior Court, sitting in practice in and for the District of Montreal, in **Room 16.12** of the Montreal Court House, 1 Notre-Dame St. East, on **June 9, 2010**, at **9:15 a.m.**

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, June 4, 2010

Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Petitioners

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*)

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC. *and al*
Petitioners

- and -

ERNST & YOUNG INC.
Monitor

BS0350 n/dos.: 041053-1170

MOTION FOR THE ISSUANCE OF (I) (A) AN ORDER APPROVING BID PROCEDURES AND BID PROTECTIONS WITH RESPECT TO AN AUCTION IN CONNECTION WITH THE PETITIONERS' RIGHTS OFFERING; (B) SCHEDULING AN AUCTION AND HEARING; (C) AUTHORIZING THE PETITIONERS TO MAKE CERTAIN PAYMENTS; AND (D) APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (II) AN ORDER AUTHORIZING THE PETITIONERS TO (A) ENTER INTO A BACKSTOP COMMITMENT AGREEMENT AND (B) MAKE CERTAIN PAYMENTS THEREUNDER; AND (III) A RECOGNITION ORDER

ORIGINAL

Me Guy P. Martel (514) 397-3163
Fax : (514) 397-3493

STIKEMAN ELLIOTT
Stikeman Elliott S.E.N.C.R.L., s.r.l. AVOCATS
40e Étage
1155, boul. René-Lévesque Ouest
Montréal, Canada H3B 3V2