

## **EXHIBIT R-1**

## SUPERIOR COURT

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL

No: 500-11-036133-094

DATE: July \_\_\_\_, 2010

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PRESENT: THE HONOURABLE DANIELE MAYRAND, 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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### CREDITORS' MEETING ORDER

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*SEEING* the Petitioners' Motion for the Issuance of an Order for the Convening, Holding and Conduct of Creditors' Meetings and Other Relief pursuant to Sections 4, 5, 9, 10 and 11 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 and Section 191 of the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended (the "CBCA") and the affidavit of Bruce

Robertson in support thereof (the "**Motion**"), the Monitor's 47<sup>th</sup> Report dated July 6, 2010 and the submissions of counsel to the Petitioners, the Monitor and other interested parties;

**GIVEN** the provisions of the initial order granted by this Court in this matter on April 17, 2009, as amended thereafter, the claims procedure orders granted by this Court on August 26, 2009, January 18, 2010, and February 23, 2010 and the cross-border insolvency protocol that was approved by this Court on July 28, 2009 and the Bankruptcy Court on July 27, 2009;

**GIVEN** the provisions of the CCAA and CBCA;

**WHEREFORE, THE COURT:**

1. **GRANTS** the Motion;

**Service**

2. **DECLARES** that the notices given for the presentation of the Motion are proper and sufficient;

**Definitions**

3. **ORDERS** that capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Circular and that the following terms in this Order shall have the following meanings ascribed thereto:
  - (a) "**ABH**" means AbitibiBowater Inc., a corporation incorporated and existing under the Laws of Delaware;
  - (b) "**Affected Unsecured Creditor Proxy**" means the form of proxy, instructions and election notice for Affected Unsecured Creditors (other than for Non-registered Noteholders and Cross-Border Voting Creditors), substantially in the form attached hereto as Schedule "G";
  - (c) "**Applicants**" means the direct and indirect subsidiaries of ABH participating in the CCAA Proceedings listed in Schedule "D" hereto;
  - (d) "**Allowed Cross-border Claim**" has the meaning ascribed to it in paragraph 11;
  - (e) "**Canadian Unsecured Noteholders**" has the meaning ascribed to it in paragraph 23;

- (f) "**Canadian Unsecured Notes**" has the meaning ascribed to it in the CCAA Plan;
- (g) "**CCAA Plan**" means the plan of reorganization and compromise pursuant to the provisions of the CCAA, Section 191 of the CBCA and such other sections and legislation to be set forth in the Restructuring Transactions Notice, together with the Schedules thereto, and which is attached to the Circular as Appendix C, as it may be amended, varied or supplemented by the Applicants from time to time in accordance with its terms;
- (h) "**CDS**" means CDS Clearing and Depository for Securities Inc. or any of its affiliates who are registered holders of Canadian Unsecured Notes;
- (i) "**Chair**" has the meaning ascribed to it in paragraph 35 hereof;
- (j) "**Circular**" means the information circular relating to the CCAA Plan and the Rights Offering, including the notice of meeting and appendices attached thereto, and which is attached hereto as Schedule "E", and any written amendment, variation or supplement thereto;
- (k) "**Creditors' Meeting Materials**" has the meaning ascribed to it in paragraph 19;
- (l) "**Cross-Border Insolvency Protocol**" means the cross-border insolvency protocol approved by this Court on July 28, 2009 and by the Bankruptcy Court on July 27, 2009, as amended, modified, or supplemented from time to time;
- (m) "**Cross-Border Voting Creditors**" has the meaning ascribed thereto in the Cross-Border Voting Protocol;
- (n) "**Cross-Border Voting Protocol**" means the Cross-Border Voting Protocol filed as Exhibit R-3 to the Motion;
- (o) "**Date of Filing**" means April 17, 2009;
- (p) "**Designated Newspapers**" means The Globe and Mail (National Edition), the Gazette, the Wall Street Journal and La Presse;
- (q) "**DTC**" means the Depository Trust Company or any of its affiliates who are registered holders of Canadian Unsecured Notes;

- (r) **"First Rights Offering Expiration Time"** has the meaning ascribed to it in paragraph 32;
- (s) **"First Rights Offering Record Date"** has the meaning ascribed to it in paragraph 32;
- (t) **"Instructions to Participant Noteholders"** means the instruction notice for participant holders, substantially in the form attached hereto as Schedule "I";
- (u) **"Joint Proxy/Ballot"** means the relevant form of proxy/ballot, instructions and election notice for Cross-Border Voting Creditors, substantially in the form attached to the Cross-Border Voting Protocol as Exhibit "1" thereto;
- (v) **"Meeting Date"** means August 26, 2010, subject to any adjournment, postponement or other rescheduling or further order of this Court;
- (w) **"Meeting Materials"** has the meaning ascribed to it in paragraph 15 hereof;
- (x) **"Monitor's Website"** means [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater);
- (y) **"Motion"** has the meaning ascribed to it in the preamble of this Creditors' Meeting Order;
- (z) **"Notice of Rights Offering"** means the notice of rights offering to be communicated by the Monitor to the Affected Unsecured Creditors and Cross-Border Voting Creditors as of the First Rights Offering Record Date or Second Rights Offering Record Date, as the case may be, pursuant to this Order, substantially in the form attached hereto as Schedule "J";
- (aa) **"Notice to Creditors"** means a notice of this Order and of the Creditors' Meetings setting out the Meeting Date, substantially in the long and short forms attached hereto as Schedule "F";
- (bb) **"Non-registered Noteholder"** means any beneficial owner of Canadian Unsecured Notes (other than the 0% Unsecured Notes) that are registered in the name of an intermediary or a depository such as DTC or CDS ;

- (cc) **"Non-registered Noteholder Proxy"** means the form of proxy and instructions for Non-registered Noteholders, substantially in the form attached hereto as Schedule "H";
- (dd) **"Participant Noteholders"** has the meaning ascribed to it in paragraph 24 hereof;
- (ee) **"Participant Noteholder List"** has the meaning ascribed to it in paragraph 24 hereof;
- (ff) **"Proxy"** or **"Proxies"** means collectively the Affected Unsecured Creditor Proxy, the Non-registered Noteholder Proxy, and the Joint Proxy/Ballot;
- (gg) **"Registered Noteholders List"** has the meaning ascribed to it in paragraph 23 hereof;
- (hh) **"Resolution"** means a resolution in respect of each Affected Unsecured Creditor Class to approve the CCAA Plan, the full text of which is set out as Appendix B to the Circular;
- (ii) **"Sanction Hearing"** has the meaning ascribed to it in paragraph 53 hereof;
- (jj) **"Sanction Order"** has the meaning ascribed to it in paragraph 53 hereof;
- (kk) **"Second Rights Offering Expiration Time"** has the meaning ascribed to it in paragraph 33 hereof;
- (ll) **"Second Rights Offering Record Date"** has the meaning ascribed to it in paragraph 33 hereof; and
- (mm) **"Subscription Form"** means the subscription form to be sent by the Monitor to the Affected Unsecured Creditors and Cross-Border Voting Creditors as of the First Rights Offering Record Date or Second Rights Offering Record Date, as the case may be, pursuant to this Order, substantially in the forms attached hereto as Schedule "K";

#### **Interpretation**

- 4. **DECLARES** that where the context requires, a word or words importing the singular shall include the plural and vice versa;

**CCAA Plan and Circular**

5. **ORDERS** that:
  - (a) the CCAA Plan and the Circular be, and they are hereby, accepted for filing;
  - (b) the Cross-Border Voting Protocol be, and it is hereby, approved in a form substantially similar to that of the draft Cross-Border Voting Protocol filed as Exhibit R-3 to the Motion;
  - (c) the Applicants shall seek approval of the CCAA Plan in the manner set forth herein; and
  - (d) the effectiveness of the CCAA Plan shall be conditioned upon all conditions precedent to the implementation of the U.S. Plan but for the implementation of the CCAA Plan having been satisfied or waived, the same way that the effectiveness of the U.S. Plan is conditioned upon all conditions precedent to the implementation of the CCAA Plan but for the implementation of the U.S. Plan having been satisfied or waived;
  
6. **ORDERS** that the Applicants, in consultation with the Monitor, be, and they are hereby, authorized to file any modification of, or amendment, variation or supplement to, the CCAA Plan, in accordance with the terms of the Backstop Agreement, including by the Restructuring Transactions Notice, any CCAA Plan Supplement or plans of reorganization, compromise or arrangement (or any one or more thereof) (each a "CCAA Plan Modification") prior to the Creditors' Meeting Date or at or before any Creditors' Meeting, in which case any such CCAA Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the CCAA Plan. The Applicants shall give notice of any such CCAA Plan Modification at the Creditors' Meeting in respect of each Affected Unsecured Creditors Class prior to the vote being taken to approve the CCAA Plan. The Applicants may give notice of any such CCAA Plan Modification at or before any Creditors' Meeting by notice which shall be sufficient if, in the case of notice at any Creditors' Meeting, given to those Affected Unsecured Creditors present at such meeting in person or by proxy. The Monitor shall post on the Monitor's Website, as soon as possible, any such CCAA Plan Modification, with notice of such posting forthwith provided to the Service List;

7. **ORDERS** that after each Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Applicants, in consultation with the Monitor, may at any time and from time to time modify, amend, vary or supplement the CCAA Plan, in accordance with the terms of the Backstop Agreement, without the need for obtaining an Order or providing notice to the Affected Unsecured Creditors if the Monitor determines that such modification, amendment, variation or supplement would not be materially prejudicial to the interests of the Affected Unsecured Creditors under the CCAA Plan or the Sanction Order and is necessary in order to give effect to the substance of the CCAA Plan or the Sanction Order. The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to the CCAA Plan;
8. **ORDERS** that the Applicants are authorized to exclude any one or more of the other Applicants from the CCAA Plan. If the Applicants elect to exclude one or more of the other Applicants from the CCAA Plan, reference in this Order to the Applicants and to a Creditors' Meeting shall read, where the context requires, to mean the Applicants other than, and a Creditors' Meeting in regard of the Applicants other than, those excluded from the CCAA Plan;

#### **Classification of Affected Claims**

9. **ORDERS** that, for the purposes of considering and voting on the CCAA Plan, the Affected Unsecured Creditors Classes shall be as set forth in the CCAA Plan;
10. **ORDERS** that, without limitation to the provisions of any of Law prohibiting double recovery and subject to the provisions of the CCAA Plan, for voting and distribution purposes, in respect of all Affected Creditors and their rights in respect of Affected Claims: (i) all guarantees of an Applicant of the payment or performance by another Applicant with respect to any Affected Claim will be recognized; (ii) each Affected Claim and all guarantees by an Applicant of such Affected Claim will be treated as multiple Affected Claims against the Applicants; and (iii) any joint obligation of any Applicant with another Applicant will be treated as two separate Affected Claims against the Applicants, provided, however, that the aggregate recovery on account of any Proven Claim or Allowed Claim (as defined under the U.S. Plan) from all sources,

including distributions under the CCAA Plan, the U.S. Plan or a combination of both, regardless of whether on account of a theory of primary or secondary liability, by reason of guarantee, surety indemnity, joint and several obligations or otherwise, shall not exceed (A) 100% of the underlying indebtedness, liability or obligation giving rise to such Claim or, (B) where the underlying indebtedness, liability or obligation giving rise to such Claim is denominated in a currency (the "**Original Currency**") other than Canadian dollars, 100% of such underlying indebtedness, liability or obligation after conversion of the value of the distributions received in Canadian dollars back to the Original Currency at the Bank of Canada noon spot rate of exchange for exchanging Canadian dollars to the Original Currency on the date of applicable Initial Distribution Date, Interim Distribution Date or the Final Distribution Date;

11. **ORDERS** that to the extent that any Claim is both a Proven Claim against a Cross-Border Debtor under the CCAA Plan and an Allowed Claim (as defined in the U.S. Plan) against the same Cross-Border Debtor under the U.S. Plan (each an "**Allowed Cross-border Claim**"), (i) there shall only be a single recovery on account of such Allowed Cross-border Claim under the CCAA Plan and the U.S. Plan, and (ii) the aggregate distribution which such Allowed Cross-border Claim shall receive, whether under the CCAA Plan or the U.S. Plan or a combination of both, shall not exceed the greatest distribution which such Allowed Cross-border Claim would be entitled to receive under the CCAA Plan or the U.S. Plan;
12. **ORDERS** that any Affected Unsecured Creditor with a Proven Claim of less than C\$6,073 (being the Canadian dollar equivalent of US\$5,000 based on the Date of Filing Exchange Rate) who intends to irrevocably elect not to receive a cash distribution as provided under the CCAA Plan shall duly complete the election notice provided in the Proxy and complete, sign, and send or deposit such Proxy so that it be received by the Monitor within the time provided in paragraph 38 or 39 hereof, as the case may be, failing which such Affected Unsecured Creditor shall receive a cash distribution;
13. **ORDERS** that any Affected Unsecured Creditor wishing to elect irrevocably to reduce its Proven Claim to C\$6,073 and receive a cash distribution as provided under the CCAA Plan shall duly complete the election notice provided in the Proxy and complete,

sign, and send or deposit such Proxy so that it be received by the Monitor within the time provided in paragraph 38 or 39 hereof;

**Notice of Creditors' Meetings and Meeting Materials**

14. **ORDERS** that the Applicants be, and are hereby, authorized to convene, hold and conduct the Creditors' Meeting of each Affected Unsecured Creditors' Class at the Meeting Date, in Montréal, Québec for the purpose of considering and, if deemed advisable, passing, with or without variation, the Resolutions to approve the CCAA Plan, unless the Chair, in accordance with paragraph 42 hereof, or the Affected Unsecured Creditors decide (in person or by proxy) by resolution carried by the majority of votes (one vote for each dollar of every Voting Claim) to adjourn, postpone or otherwise reschedule a Creditors' Meeting;
15. **ORDERS** that, no later than July 26, 2010, the Monitor shall publish the following documents (collectively, the "**Meeting Materials**") on the Monitor's Website:
- (a) the Notice to Creditors (in English and French);
  - (b) the Circular (in English and French);
  - (c) the Proxies (in English and French);
  - (d) the CCAA Plan (in English and French);
  - (e) the Disclosure Statement, Confirmation Hearing Notice, U.S. Solicitation Order and Committee statement of support for the U.S. Plan (in English only);
  - (f) the U.S. Plan (in English only);
  - (g) the Notice of Rights Offering;
  - (h) the Subscription Form;
  - (i) the Cross-Border Voting Protocol; and
  - (j) a copy of this Order (in English and French);
16. **ORDERS** that the Applicants be and they are hereby authorized to make such modifications, amendments or supplements ("**Additional Information**") to the Meeting Materials (other than the CCAA Plan which may be modified, amended or

supplemented in accordance with paragraphs 6 and 7 hereof) as the Applicants may determine, and the Applicants shall distribute or make available such Additional Information by one or more of the following methods determined in their discretion in consultation with the Monitor: (i) posting on the Monitor's Website and/or the Applicants' website; (ii) news release; (iii) newspaper advertisement; (iv) pre-paid regular mail, email, fax or delivery (in person or by courier); (v) except for Proxies, distribution at the Creditors' Meetings; or (vi) such other reasonably practicable method in the circumstances.

17. **ORDERS** that the Notice to Creditors, which is hereby approved, shall be published, in its short form, by the Monitor in the Designated Newspapers as soon as possible following the issuance of this Order, but in any event no later than July 26, 2010;
18. **ORDERS** that the Applicants or the Monitor shall not be required to provide the Meeting Materials to any shareholder of ABH and the Applicants, provided that the shareholder notice, substantially in the form attached hereto as Schedule "L" (the "Shareholder Notice") which is hereby approved, shall be published by the Monitor in the Designated Newspapers in French or in English, as the case may be, no later than July 26, 2010, 2010;
19. **ORDERS** that, in addition to the publications referred to in paragraphs 15 and 16 hereof, the Monitor shall send to the Affected Unsecured Creditors with Voting Claims on June 30, 2010, (other than Non-registered Noteholders which shall be dealt with in accordance with paragraphs 23 to 29 hereof and Cross-Border Voting Creditors which shall be dealt with in accordance with paragraph 21 hereof), by prepaid regular mail, courier, fax or e-mail, at the address appearing on an Affected Unsecured Creditor's Proof of Claim filed pursuant to the Claims Procedure Orders, a copy of the Notice to Creditors, the Circular, the Notice of Rights Offering and the Subscription Form (together the "Creditors' Meeting Materials") and the Affected Unsecured Creditor Proxy by no later than 5:00 p.m. (Montréal time) on or about July 26, 2010 and advising that all other Meeting Materials may be obtained from the Monitor's Website or provided upon written request;

20. **ORDERS** that the Monitor shall send the Creditors' Meeting Materials to any other Affected Unsecured Creditor as the Monitor deems necessary up to and until the Meeting Date;
21. **ORDERS** that, in addition to the publications referred to in paragraphs 15 and 16 hereof, the Monitor shall send to the Cross-Border Voting Creditors with Voting Claims on June 30, 2010, (other than Non-registered Noteholders which shall be dealt with in accordance with paragraphs 23 to 29 hereof), by prepaid regular mail, courier, fax or e-mail, at the address appearing on a Cross-Border Voting Creditor's Proof of Claim filed pursuant to the Claims Procedure Orders and the Cross-border Claims Protocol, a copy of the materials referred to in paragraph 23 of the Cross-Border Voting Protocol by no later than 5:00 p.m. (Montréal time) on July 26, 2010 and advising that all other Meeting Materials may be obtained from the Monitor's Website or provided upon written request;
22. **ORDERS** that publications referred to in paragraphs 15 to 18 hereof, and transmission in accordance with paragraphs 19, 21, 25, 27 and 33 hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present in person or represented by proxy at the Creditors' Meeting in respect of each Affected Unsecured Creditor Class to which they belong, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

**Solicitation of Canadian Unsecured Noteholders**

23. **ORDERS** that promptly following the date of this Order, the Monitor shall request, and the trustees of each Canadian Unsecured Note, (other than the 0% Unsecured Note which shall be solicited in the same manner as other Affected Unsecured Creditors), shall each provide the Monitor within one Business Day of such request with a list (the "**Registered Noteholders List**") of all the holders of the applicable Canadian Unsecured Notes (the "**Canadian Unsecured Noteholders**") who are registered as owners or holders of the relevant Canadian Unsecured Notes of record on June 30, 2010, and their addresses;

24. **ORDERS** that each of CDS and DTC shall provide the Monitor, within one Business Day of the Monitor's request, with a list (the "**Participant Noteholders List**") of each of its participants in respect of each Canadian Unsecured Note (the "**Participant Noteholders**") of record on June 30, 2010, showing the Participant Noteholders and their respective addresses;
25. **ORDERS** that, upon receipt by the Monitor of the Registered Noteholder List, the Monitor shall promptly send, by prepaid regular mail, courier, fax or e-mail, to each Person shown on the Registered Noteholder List, including CDS and DTC, a copy of the Creditors' Meeting Materials and the Affected Unsecured Creditor Proxy and advising such Person that all other Meeting Materials may be obtained from the Monitor's Website or provided upon written request;
26. **ORDERS** that, upon receipt by the Monitor of the Participant Noteholders List, the Monitor shall be entitled to contact each Participant Noteholder listed on the Participant Noteholders List who appears to the Monitor to hold Canadian Unsecured Notes on behalf of beneficial owners of Canadian Unsecured Notes (other than the 0% Unsecured Note) to determine the amount of Canadian Unsecured Notes held by the Participant Noteholder on behalf of Non-registered Noteholders and the number of packages of Creditors' Meeting Materials and Non-registered Noteholder Proxy such Participant Holder requires in order to provide a copy of the Creditors' Meeting Materials and the Non-registered Noteholder Proxy to each of its customers or principals who are Non-registered Noteholders, in which case each Participant Noteholder shall provide to the Monitor a response within three (3) Business Days of receipt of the request;
27. **ORDERS** that:
  - (a) upon receiving from a Participant Holder the information referred to in paragraph 26, the Monitor shall send, by prepaid regular mail, courier, fax or e-mail, to such Participant Noteholder a copy of the Instructions to Participant Noteholders together with that number of packages of Creditors' Meeting Materials and Non-registered Noteholder Proxy requested by such Participant Noteholder; and

- (b) the Monitor shall send, by prepaid regular mail, courier, fax or e-mail, to the trustees of each Canadian Unsecured Note, (other than the 0% Unsecured Note), ten copies of the Creditors' Meeting Materials and Non-registered Noteholder Proxy for Non-registered Noteholders;
- 28. **ORDERS** that each Participant Noteholder shall, within five (5) Business Days of receipt of a Non-registered Noteholder Proxy, complete and sign the applicable section relating to the Participant Noteholders of a Non-registered Noteholder Proxy for each Non-registered Noteholder which has an account (directly or through an agent or custodian) with such Participant Noteholder and mail to such Non-registered Noteholder, the Non-registered Noteholder Proxy as so completed and signed and one package of the Creditors' Meeting Materials and that the Participant Noteholder take any other action required to enable such Non-registered Noteholder to provide to the Monitor a duly completed Non-registered Noteholder Proxy and to vote at the relevant Creditors' Meeting with respect to the Canadian Unsecured Notes owned by such Non-registered Noteholder;
- 29. **ORDERS** that where a Participant Noteholder or its agent has a standard practice for distribution of meeting materials to Non-registered Noteholders and for the gathering of information and proxies from Non-registered Noteholders and further provided that such standard practice has been discussed in advance with the Applicants and the Monitor and is acceptable to the Applicants and the Monitor, the Participant Noteholder or its agent may, in lieu of following the procedure set out in paragraph 28 above, do the following:
  - (a) forward the Creditors' Meeting Materials and the Non-registered Noteholder Proxy to the Non-registered Noteholders in accordance with the usual practice of the Participant Noteholder or its agent in dealing with Non-registered Noteholders; and
  - (b) submit to the Monitor a master voting list in a form satisfactory to the Applicants and the Monitor. The master voting list: (i) will set out the position of each Non-registered Noteholder, identified by name, as to voting in favour of or against the CCAA Plan; (ii) will contain a representation, in a form satisfactory to the

Applicants and the Monitor, duly executed from the Participant Noteholder or its agent that the master voting list is a true summary of the position of the Non-registered Noteholders that have an account with the Participant Noteholder; and (iii) to be valid for the purpose of voting at the Creditors' Meeting in respect of the Affected Unsecured Creditor Classes to which the Non-registered Noteholders belong, must be received by the Monitor at its office located at 800, René-Lévesque Blvd. W., Suite 1900, Montréal, Québec, H3B 1X9, Canada (Attention: ACI Creditors' Meeting) no later than 3 Business Days before such Creditors' Meeting;

if the Monitor duly receives a master voting list from a Participant Noteholder or its agent, the Monitor will record the vote for each Non-registered Noteholder in accordance with that master voting list as though the Monitor had received a duly completed Non-registered Noteholders Proxy from each Non-registered Noteholder listed on such master voting list. The Monitor may amend the Creditors' Meeting Materials for Non-registered Noteholders to make those materials consistent with the usual practice of the Participant Noteholder in dealing with Non-registered Noteholders.

### **Monitor's Report**

30. **ORDERS** that, on or before August 18, 2010, the Monitor shall serve a report on the CCAA Plan and on the Applicants' business and financial affairs on all known interested parties, including those Persons listed on the service list published on the Monitor's Website, file same with this Court, and publish it on the Monitor's Website. The notice referred to in Section 11.7(3)(c) of the CCAA shall be considered sufficiently given if the Notice to Creditors mentions that said report is available as provided herein;

### **Rights Offering**

31. **ORDERS** that:
- (a) the Rights Offering be and it is hereby approved and shall be conducted in the manner set forth in this Order, the Circular, the other Meeting Materials and the Backstop Agreement;

- (b) the Applicants are authorized and empowered to take any and all actions necessary and appropriate to implement the subscription procedures with respect to the Rights Offering. Subject to approval by the Bankruptcy Court, the Applicants are authorized to combine the solicitation process for votes for the CCAA Plan with the subscription process for the Rights Offering; and
  - (c) the Applicants may adopt, as necessary, any additional procedures to effectuate the Rights Offering, distribute the Rights Offering Notes to Eligible Holders, and comply with the terms and conditions of the Backstop Agreement. The Applicants may, in consultation with the Monitor, execute and enter into agreements and take further action, and implement such procedures consistent with the terms and conditions of the Backstop Agreement, as may be necessary or appropriate to effectuate and implement the Rights Offering and distribute the Rights Offering Notes to Eligible Holders without further order of this Court.
32. **ORDERS** that June 30, 2010 shall be and is hereby set as the first record date (the "**First Rights Offering Record Date**") for the purpose of determining those Eligible Holders entitled to subscribe to convertible unsecured subordinated notes pursuant to the Rights Offering, which entitlement to subscribe shall expire on August 27, 2010 (the "**First Rights Offering Expiration Time**");
33. **ORDERS** (i) that August 17, 2010 shall be and is hereby set as the second record date (the "**Second Rights Offering Record Date**") in regard of those Eligible Holders whose Claims' amount has increased or decreased since the First Rights Offering Record Date as a result of the ongoing Claims reconciliation process conducted pursuant to the Claims Procedure Orders or pursuant to an order issued by this Court or the Bankruptcy Court and whose entitlement to subscribe to convertible unsecured subordinated notes in respect of the modified amount of the Proven Claim shall expire on September 2, 2010 (the "**Second Rights Offering Expiration Time**"), and (ii) that, in regard of those Eligible Holders whose Claims' amount has so increased since the First Rights Offering Record Date, the Monitor shall promptly send to such Eligible Holders a new subscription form, in form and substance substantially similar to the Subscription Form, permitting such Eligible Holders to exercise a number of incremental Eligible Holders Subscription Rights (as such term is defined in the Circular) as determined by applying the Initial

Rights Ratio (as such term is defined in the Circular) to the revised amount of eligible Claim held by such Eligible Holders, as reduced by the number of Subscription Rights previously offered to such Eligible Holders, by prepaid regular mail, courier, fax or e-mail, at the address appearing on such Proof of Claim filed pursuant to the Claims Procedure Orders and/or the Cross-border Claims Protocol, as applicable;

#### **Creditors' Meetings Procedure**

34. **ORDERS** that the Voting Record Date shall be August 17, 2010 (or such other date as may be determined by the Monitor and communicated in accordance with paragraph 16 hereof;
35. **ORDERS** that the Monitor shall designate any Person, including an employee or any representative of the Monitor, who shall preside as the chair of the Creditors' Meeting of each Affected Unsecured Creditors Class (the "**Chair**") and, subject to this Order or any further order of this Court, shall decide all matters relating to the conduct of such Creditors' Meeting. The Applicants or any Affected Unsecured Creditor may appeal from any decision of the Chair to this Court no later than four (4) Business Days from any such decision;
36. **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Creditors' Meeting of each Affected Unsecured Creditors Class and any person to act as secretary at the Creditors' Meeting of each Affected Unsecured Creditors Class;
37. **ORDERS** that the only Persons entitled to attend and speak at the Creditors' Meeting of each Affected Unsecured Creditors Class are Affected Unsecured Creditors with Voting Claims and their proxy holders, representatives of the Applicants, members of the boards of directors of the Applicants, representatives of the Monitor and representatives of the Ad Hoc Unsecured Noteholders Committee, the Chair and their respective legal counsel and financial advisors. Any other Person may be admitted to the Creditors' Meeting of each Affected Unsecured Creditors Class on invitation of the Chair;
38. **ORDERS** that any Affected Unsecured Creditor Proxy that an Affected Unsecured Creditor (other than Non-registered Noteholders) wishes to submit in respect of a Creditors' Meeting in respect of the Affected Unsecured Creditor Classes to which the

Affected Unsecured Creditor belongs (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as Schedule "G" (or in such other form acceptable to the Monitor or the Chair) and shall either be (i) received by the Monitor at its office located at 800, René-Lévesque Blvd. W., Suite 1900, Montréal, Québec, H3B 1X9, Canada (Attention: ACI Creditors' Meeting) prior to 5:00 p.m. (Montréal time) on August 25, 2010 or prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or other rescheduling of such Creditors' Meeting, or (ii) deposited with the Chair at the relevant Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) before the beginning of such Creditors' Meeting (or any such adjournment, postponement or other rescheduling);

39. **ORDERS** that any Non-registered Noteholder Proxy (other than master voting list submitted pursuant to paragraph 29) that a Non-registered Noteholder wishes to submit in respect of a Creditors' Meeting in respect of the Affected Unsecured Creditor Classes to which the Non-registered Noteholder belongs (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as **Erreur ! Source du renvoi introuvable.** (or in such other form acceptable to the Monitor or the Chair) and shall either be (i) received by the Monitor at its office located at 800, René-Lévesque Blvd. W., Suite 1900, Montréal, Québec, H3B 1X9, Canada (Attention: ACI Creditors' Meeting) prior to 5:00 p.m. (Montréal time) on August 25, 2010 or prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or other rescheduling of such Creditors' Meeting, or (ii) deposited with the Chair at the relevant Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) before the beginning of such Creditors' Meeting (or any such adjournment, postponement or other rescheduling);
40. **ORDERS** that any Joint Proxy/Ballot that a Cross-Border Voting Creditor wishes to submit in respect of a Creditors' Meeting in respect of the Affected Unsecured Creditor Classes to which the Non- Cross-Border Voting Creditor belongs (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached to the Cross-border Voting Protocol as Exhibit "1" thereto (or in such other form acceptable to the Monitor or the Chair) and shall either be (i) received by the Monitor at

its office located at 800, René-Lévesque Blvd. W., Suite 1900, Montréal, Québec, H3B 1X9, Canada (Attention: ACI Creditors' Meeting) prior to 5:00 p.m. (Montréal time) on August 25, 2010 or prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or other rescheduling of such Creditors' Meeting, or (ii) deposited with the Chair at the relevant Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) before the beginning of such Creditors' Meeting (or any such adjournment, postponement or other rescheduling);

41. **ORDERS** that in the absence of instruction to vote for or against the approval of the Resolution in a duly signed and returned Proxy, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution;
42. **ORDERS** that the quorum required at each Creditors' Meeting shall be one (1) Affected Unsecured Creditor in the relevant Affected Unsecured Creditor Class present in person or by proxy and entitled to vote at the relevant Creditors' Meeting. If the requisite quorum is not present at a Creditors' Meeting, then such Creditors' Meeting shall be adjourned by the Chair to such date, time and place as may be decided by the Chair in his or her sole discretion. The Chair shall decide on the manner of giving notice to the Affected Unsecured Creditors of the rescheduled meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's Website;
43. **ORDERS** that the Chair be, and he or she is hereby, authorized to adjourn, postpone or otherwise reschedule a Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof); the Chair shall decide on the manner of giving notice to the Affected Creditors of the rescheduled meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's Website;

#### **Voting Procedure**

44. **ORDERS** that, at a Creditors' Meeting, the Chair be, and he or she is hereby, authorized to direct the votes with respect to the Resolution to approve the CCAA Plan and any

amendments, variations or supplements thereto as the Applicants and the Monitor may consider appropriate;

45. **ORDERS** that any resolution to be voted on at any Creditors' Meeting to approve, amend, vary or supplement the CCAA Plan, including the Resolution in respect of each of the Affected Unsecured Creditor Classes, will be decided by the Required Majorities on a vote by ballot, and that any other matter submitted for a vote at any Creditors' Meeting shall be decided by a majority of votes cast on a vote by a show of hands, unless the Chair decides, in his or her sole and absolute discretion, to hold such vote by way of ballot, provided, however, that each vote of a 15.5% Senior Unsecured Notes Creditor by way of ballot or show of hands in respect of the ACCC Affected Unsecured Creditor Class shall be deemed to be a vote in respect of such 15.5% Senior Unsecured Notes Creditor's 15.5% Senior Unsecured Notes Claims comprised in each of the Affected Unsecured Creditor Classes set forth in the CCAA Plan, including the ACI Affected Unsecured Creditor Class, Saguenay Forest Products Affected Unsecured Creditor Class, ACNSI Affected Unsecured Creditor Class and 15.5% Guarantor Applicant Affected Unsecured Creditor Classes;
46. **ORDERS** that the only Persons entitled to vote at the Creditors' Meetings shall be Affected Unsecured Creditors with Voting Claims as of the Voting Record Date and their proxy holders. For the purposes of counting and tabulating the votes at a Creditors' Meeting, each Affected Unsecured Creditor with a Voting Claim shall be entitled to one (1) vote and the weight attributed to such vote (for the purposes of determining the Required Majorities) shall be equal to the aggregate Canadian dollar value of such Affected Unsecured Creditor's Voting Claim (if necessary, converted into Canadian dollars in accordance with paragraph 60 hereof). For the purpose of calculating a majority in number of an Affected Unsecured Creditor Class, each individual Non-registered Noteholder shall only be counted once, without duplication, even if that Non-registered Noteholder holds Canadian Unsecured Notes through more than one registered holder of Canadian Unsecured Notes or Participant Noteholders, and each Affected Unsecured Creditor of an Applicant with a Proven Claim shall only be counted once even if such Affected Creditor holds more than one Proven and/or Unresolved Claim that has been approved for voting purposes against such Applicant. For greater

certainty, only beneficial owners of Canadian Unsecured Notes (and not registered holders of Canadian Unsecured Notes or Participant Noteholders unless they are also beneficial holders of Canadian Unsecured Notes) shall be entitled to vote their Proven Claims in respect of the Canadian Unsecured Notes as provided for in this Order;

47. **ORDERS** that if the amount of the Affected Claim of any Affected Unsecured Creditor is not resolved for voting purposes before the Voting Record Date in accordance with the Claims Procedure Orders, the Cross-Border Insolvency Protocol, the Cross-Border Voting Protocol and this Order, such Affected Unsecured Creditor shall be entitled to vote at the Creditors' Meeting in respect of the Affected Unsecured Creditor Class to which it belongs based on that portion of its Affected Claim which has been accepted for voting purposes by the Monitor, without prejudice to the rights of the Applicants, or the Affected Unsecured Creditor, with respect to the final determination of the Affected Unsecured Creditor's Affected Claim for distribution purposes in accordance with the terms of the Claims Procedure Orders, this Order and the CCAA Plan. Affected Unsecured Creditors whose Affected Claims have been revised or disallowed, in full or in part, which revision or disallowance remains in dispute or under appeal in accordance with the Claims Procedure Orders, and the Cross-Border Claims Protocol shall have their voting intentions with respect to such disputed or disallowed amounts recorded by the Monitor and reported to this Court in accordance with paragraph 52 hereof;

#### **Transfers of Voting Claims**

48. **ORDERS** that, solely for voting purposes at any Creditors' Meeting, no assignee, transferee or purchaser of any Voting Claim who shall have acquired or become the assignee or transferee of such Voting Claim after the Voting Record Date shall have any right or entitlement whatsoever to attend or vote at, either in person or by proxy, a Creditors' Meeting, and **ORDERS** further that, any transferee, assignee or acquirer of a Voting Claim who acquired or became the assignee or transferee of such a Voting Claim on or prior to the Voting Record Date but whose name does not appear as of the Voting Record Date as the Holder of such transferred or assigned Voting Claim may, prior to the Voting Record Date, deliver evidence satisfactory to the Monitor of (A) its ownership

of the whole of such Voting Claim as of the Voting Record Date, and (B) that such transfer or assignment was valid at Law, upon which:

- (a) such transferee or assignee shall be entitled to receive from the Monitor a package containing the Creditors' Meeting Materials and the relevant Proxy;
- (b) such transferee's or assignee's name shall be included on the list of Affected Unsecured Creditors entitled to vote at the Creditors' Meeting held in respect of the Affected Unsecured Creditor Class to which it belongs; and
- (c) such transferee or assignee shall be entitled to attend and vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the relevant Creditors' Meeting in lieu and to the exclusion of the transferor's or assignor's right to attend and vote at the Creditor's Meeting with respect to the transferred Voting Claim;

#### **Distribution for Disputed Claims**

49. **ORDERS** that no distributions shall be made with respect to a Disputed Claim unless and until it has become a Proven Claim, and that the Monitor, in its capacity as Disbursing Agent, shall establish the Applicants Reserve in accordance with the CCAA Plan;

#### **Evidence that Affected Claim was Paid**

50. **ORDERS** that, should the Monitor receive evidence satisfactory to it that an Affected Claim was paid in part or in full by a party other than the Applicants, such Affected Claim shall be reduced by the amount of the payment so made to such Holder of an Affected Claim, for the purposes of calculating votes and for distributions under the CCAA Plan;

#### **Notices and Communications**

51. **ORDERS** that any document sent by the Monitor or the Applicants pursuant to this Order may be sent by prepaid regular mail, courier, fax or e-mail. Any Holder shall be deemed to have received any document sent pursuant to this Order four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, e-mail or

facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

**Sanction Hearing**

52. **ORDERS** that the Monitor shall report to this Court no later than three (3) Business Days after the Creditors' Meeting of each Affected Unsecured Creditors Class with respect to:
- (a) the results of the voting on the Resolutions to approve the CCAA Plan;
  - (b) the effect on the results of the vote had the Affected Unsecured Creditors also voted the amount of their Affected Claim disputed for voting purposes; and
  - (c) any other matter which the Monitor considers relevant in view of the Sanction Hearing, including the status and voting results of the U.S. Plan;
53. **ORDERS** that, subject to further order of this Court, if the Plan has been accepted by the Required Majorities, the Petitioners shall bring a motion presentable before this Court on September 8, 2010 (the "**Sanction Hearing**"), seeking an order sanctioning the CCAA Plan pursuant to the CCAA and Section 191 of the CBCA (the "**Sanction Order**");
54. **ORDERS** that a copy of the motion seeking the Sanction Order be published on the Monitor's Website as soon as it is filed with this Court;
55. **ORDERS** that publication of the Notice to Creditors and this Order pursuant to paragraph 15 hereof shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who are entitled to receive such service and no other form of service need be made and no other materials need be served on such Persons in respect of the Sanction Hearing;
56. **ORDERS** that any Person intending to object to the motion seeking the Sanction Order shall file with this Court a written notice containing a description of its proposed grounds of contestation and shall effect service of same upon counsel to the Petitioners and the Monitor, and upon those Persons listed on the service list published on the Monitor's Website, the whole before 4:30 p.m. (Montréal Time) on September 3, 2010;

57. **ORDERS** that in the event that the Sanction Hearing is adjourned, postponed or otherwise rescheduled, only those Persons listed on the service list published on the Monitor's Website are required to be served with notice of the adjourned, postponed or otherwise rescheduled date;

#### **Foreign Proceedings**

58. **ORDERS** that the Monitor shall have the power and authority, but shall not be obligated, to apply to the United States Bankruptcy Court for the Southern District of New York for an order in respect of the Applicants pursuant to Chapter 15 of the U.S. Bankruptcy Code, and in connection with such proceedings the Monitor be, and it is hereby, authorized to act as a foreign representative of the Applicants;

#### **Aid and Assistance of Other Courts**

59. **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory of Canada or any court or any judicial, regulatory or administrative body of the United States of America and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order;

#### **General Provisions**

60. **ORDERS** that the purposes of determination of the value of Affected Claims denominated in currencies other than Canadian dollars for voting and distribution purposes, such Claims shall be converted by the Monitor to Canadian dollars in accordance with the Claims Procedure Orders and the CCAA Plan;
61. **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and may waive strict compliance with the requirements of this Order as to the completion and execution of documents;
62. **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order;

63. **ORDERS** the provisional execution of this Order notwithstanding appeal and without the necessity of furnishing any security;
64. **THE WHOLE**, without costs.

Montréal (Québec), July \_\_\_\_\_, 2010

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Honourable Danièle Mayrand, 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-CONSOLIDATED (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"

### APPLICANTS

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.  
9150-3383 Québec Inc.  
Abitibi-Consolidated (U.K.) Inc.  
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.  
Canoxel Hardboard Inc.  
9068-9050 Québec Inc.  
Alliance Forest Products (2001) Inc.  
Bowater Belledune Sawmill Inc.  
Bowater Maritimes Inc.  
Bowater Mitis Inc.  
Bowater Guérette Inc.  
Bowater Couturier Inc.

## SCHEDULE "E" CIRCULAR

THE CIRCULAR IS AVAILABLE AT THE FOLLOWING PAGE OF THE MONITOR'S WEBSITE: [WWW.EY.COM/CA/ABITIBIBOWATER](http://WWW.EY.COM/CA/ABITIBIBOWATER) AND WAS COMMUNICATED AS EXHIBIT R-2 TO THE MOTION FOR THE ISSUANCE OF AN ORDER FOR THE CONVENING, HOLDING AND CONDUCT OF A CREDITORS' MEETING AND OTHER RELIEF.

## SCHEDULE "F" - NOTICE TO CREDITORS

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Long Form :

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### Notice of creditors' meetings

ERNST & YOUNG INC.

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL  
COURT NO: 500-11-036133-094

SUPERIOR COURT  
Commercial Division  
*Designated tribunal under the  
Companies' Creditors Arrangement Act*

IN THE MATTER OF THE PLAN OF REORGANIZATION AND COMPROMISE OF  
ABITIBIBOWATER INC. AND CERTAIN OF ITS SUBSIDIARIES.

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### NOTICE OF CREDITORS' MEETING

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NOTICE IS HEREBY GIVEN that AbitibiBowater Inc. and certain of its subsidiaries listed in Appendix A - "*Applicants*" to the Notice of Creditors' Meetings and Information Circular dated July ●, 2010 (the "**Circular**") (collectively, the "**Applicants**") have filed with the Québec Superior Court of Justice, Commercial Division (the "**Court**") a plan of reorganization and compromise (as it may be amended, varied or supplemented by the Applicants from time to time in accordance with its terms, the "**CCAA Plan**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"), the *Canada Business Corporations Act* (the "**CBCA**") and such other legislation to be set forth in the Restructuring Transactions Notice.

A copy of the CCAA Plan is attached as Appendix C - "*Plan of Reorganization and Compromise*" to the Circular. Unless otherwise indicated, terms defined in the section of the Circular entitled "*Glossary of Terms*" shall have the same meanings in this Notice of Creditors' Meetings.

The CCAA Plan contemplates the reorganization of the Applicants and the compromise of the Affected Claims of the Affected Unsecured Creditors.

NOTICE IS ALSO HEREBY GIVEN to Affected Unsecured Creditors that the Creditors' Meeting in respect of each Affected Unsecured Creditor Class will be held at the Hilton Montreal Bonaventure, 900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada, at 10:00 a.m. (Montreal time), on August 26, 2010 for the purposes of:

- (i) considering and, if thought advisable, adopting a resolution in respect of such Affected Unsecured Creditor Class to approve the CCAA Plan (the full text of which resolution is set out as ● to the Circular), with or without variation; and
- (ii) transacting such other business as may properly come before such Creditors' Meeting.

Each Creditors' Meeting is being held pursuant to the Creditors' Meetings Order made on July 9, 2010 by the Honourable Danièle Mayrand of the Court. A copy of the Creditors' Meeting Order is set out as Appendix D - "*Creditors' Meeting Order and Cross-border Voting Protocol*" to the Circular.

Affected Unsecured Creditors who wish to vote on the Resolution, in respect of each of the Affected Unsecured Creditor Classes to which they belong, to approve the CCAA Plan must have submitted Proofs of Claim and proven their Claims in the manner and within the time specified in the Creditors' Meeting Order, the Cross-border Voting Protocol, the Claims Procedure Orders and the Cross-border Claims Protocol, copies of which are set out as Appendix D - "*Creditors' Meeting Order and Cross-border Voting Protocol*" and Appendix E - "*Claims Procedure Orders and Cross-border Claims Protocol*" to the Circular. Affected Unsecured Creditors who do not have Voting Claims or Disputed Claims that have been accepted for voting purposes in compliance with the Creditors' Meeting Order, the Cross-border Voting Protocol, the Claims Procedure Orders and the Cross-border Claims Protocol are not entitled to attend or vote at any Creditors' Meeting.

For the purpose of voting on and receiving distributions pursuant to the CCAA Plan, the Affected Claims are divided into classes, as set out in the CCAA Plan. In order for the CCAA Plan to become effective: (i) the CCAA Plan must be approved by the affirmative vote of a majority in number, representing not less than two-thirds in value of the Voting Claims, of Affected Unsecured Creditors voting in each Affected Unsecured Creditors Class (in person or by proxy), (ii) the U.S. Plan described in the Circular must become effective and be implemented in accordance with its terms; and (iii) the conditions to the implementation and effectiveness of the CCAA Plan (as described in the Circular) must be satisfied or waived.

Any Affected Unsecured Creditor who is entitled to vote at any Creditors' Meeting but is unable or does not intend to attend such Creditors' Meeting may vote by dating, signing and returning the enclosed form of proxy (each, a "**Form of Proxy**") in the return envelope provided in accordance with the accompanying instructions. In order to be used at any Creditors' Meeting, a Form of Proxy must be received by the Monitor, Ernst & Young Inc., **by mail (using the pre-addressed return envelope provided with the Form of Proxy), first class mail, courier or personal delivery at the address set out below, such that it is received at any time prior to 5:00 p.m. (Montreal time) on August 25, 2010 or at any time prior to 5:00 p.m. (Montreal time) on the Business Day immediately preceding the date set for any adjournment, postponement or rescheduling of such Creditors' Meeting, or by the Chair of the Creditors' Meeting prior to the commencement of such Creditors' Meeting or any adjournment, postponement or rescheduling thereof.**

Each Affected Unsecured Creditors who intends to attend the Creditors' Meeting in respect of any Affected Unsecured Creditors Class to which it belongs and elects (i) to reduce for distribution purposes, its Proven Claims to Cdn\$6,073 (being the Canadian dollar equivalent based on the Date of Filing Exchange Rate and, for the purposes hereof, deemed conclusively to be the equivalent, of US\$5,000) in order to receive a Cash distribution in accordance with the CCAA Plan, or (ii) should its Proven Claims be equal to or less than Cdn\$6,073, to receive shares of New ABH Common Stock in full and final satisfaction of its Proven Claims, must also complete and sign the election notice included in the Form of Proxy and retain or deposit it, as described above, with the Monitor or the Chair of the Creditors' Meeting prior to the

commencement of such Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

Affected Unsecured Creditors are responsible for obtaining proof of delivery, if required, of such Forms of Proxy. The Monitor will only accept Forms of Proxy that relate to the CCAA Plan, and any voting ballot or other document relating to the U.S. Plan will be disregarded and discarded.

The Monitor's coordinates for the purpose of returning Forms of Proxy and for obtaining any additional information or materials related to any Creditors' Meeting are:

**By telephone (toll-free):** 1-866-246-7889

**By registered mail:** Ernst & Young Inc.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada

Attention: ABH et al. Creditors'  
Meetings

**By facsimile:** 1-514-879-3992

**By email:** abitibibowater@ca.ey.com

Copies of documents related to the Creditors' Meetings will also be posted on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater).

**NOTICE IS ALSO HEREBY GIVEN** that in accordance with the CCAA, the Monitor shall file a report on the CCAA Plan and on the affairs of the Applicants with the Court on or before August 18, 2010. A copy of the Monitor's report will be made available at the Creditors' Meetings, and will be posted on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater) as soon as practicable after it is filed with the Court.

**NOTICE IS ALSO HEREBY GIVEN** that if the CCAA Plan is approved by the Affected Unsecured Creditors of each Affected Unsecured Creditor Class, and all other necessary conditions of the CCAA Plan are satisfied or waived, the Applicants intend to file a motion presentable before the Court on September 8, 2010 at 10:00 a.m. (Montreal time) seeking an order sanctioning the CCAA Plan pursuant to the CCAA, the CBCA and such other legislation to be set forth in the Restructuring Transaction Notice (the "**Sanction Order**"), and to file a motion for recognition of the said Sanction Order in accordance with the provisions of Chapter 15 of the U.S. Bankruptcy Code, without further notice. A copy of the motion for the Sanction Order will be posted on the Monitor's website, at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater), as soon as practicable after it is filed with the Court. Any Person intending to object to the motion seeking the Sanction Order must file with the Court, before 4:30 p.m. (Montreal time) on September 3, 2010, a written notice containing a description of its proposed grounds of contestation and shall effect service of same, within the same delay, to counsel to the Applicants and the Monitor, and to those persons listed on the Applicants' service list posted on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater).

DATED at Montreal, Québec, this ●<sup>th</sup> day of July, 2010.

ERNST & YOUNG INC., in its capacity as the  
Monitor appointed by the Court in the matter of the  
proposed plan of reorganization and compromise of  
AbitibiBowater Inc. et al.

(ERNST & YOUNG LETTERHEAD)

**NOTICE TO CREDITORS OF ABITIBIBOWATER INC.  
AND CERTAIN OF ITS SUBSIDIARIES**

Creditors of AbitibiBowater Inc. and certain of its subsidiaries (collectively, the "Corporation") are hereby notified that, in connection with the Corporation's ongoing proceedings under the *Companies' Creditors Arrangement Act* (Canada), the Corporation has filed with the Québec Superior Court a plan of reorganization and compromise dated ●, 2010 (the "CCAA Plan").

Creditors of the Corporation are further notified the Creditors' Meeting in respect of each Affected Unsecured Creditor Class will be held on August 26, 2010 at 10:00 am (Montréal time) at the Hilton Montreal Bonaventure, 900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada, for the purposes of:

- (i) considering and, if thought advisable, adopting a resolution in respect of such Affected Unsecured Creditor Class to approve the CCAA Plan, with or without variation; and
- (ii) transacting such other business as may properly come before such Creditors' Meeting in respect of each Affected Unsecured Creditor Class.

A copy of the CCAA Plan and accompanying Information Circular, Notice to Creditors of Creditors' Meeting, Form of Proxy, including an Election Notice, and related documents will be mailed by July 26, 2010 to all known creditors of the Corporation affected by the Plan. Copies of documents related to the Creditors' Meetings will also be posted on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater).

In order to be entitled to attend and vote at the Creditors' Meeting in respect of the relevant Affected Unsecured Creditor Class, creditors must have filed proofs of claim and proven their claims in the manner and within the time specified in Creditors' Meeting Order, the Cross-border Voting Protocol, the Claims Procedure Orders and the Cross-border Claims Protocol, copies of which may be found on the website of the Monitor, Ernst & Young Inc., at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater). **ONLY THOSE CREDITORS WHO HAVE FILED PROOFS OF CLAIM AND PROVEN THEIR CLAIMS, AND THEIR PROXY HOLDERS, WILL BE ENTITLED TO ATTEND AND VOTE AT THE CREDITORS' MEETING IN RESPECT OF THE RELEVANT AFFECTED UNSECURED CREDITOR CLASS.**

Creditors who believe they are entitled to attend and vote at the Creditors' Meeting in respect of any Affected Unsecured Creditor Class but have not received their copy of the materials referred to above, or who wish to obtain additional information, may contact the Monitor at the following coordinates:

**By telephone** 1-888-202-3216  
**(toll-free):**

**By registered mail:** Ernst & Young Inc.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada

Attention: ABH et al. Creditors' Meeting

**By facsimile:** 1-(514) 879-3992

**By email:** abitibibowater@ca.ey.com

Montréal, Québec, Canada, ●, 2010

ERNST & YOUNG INC., in its capacity as the  
Monitor appointed by the Court in the matter of the  
proposed plan of reorganization and compromise of  
AbitibiBowater Inc. et al.

**SCHEDULE "G"**

**PROXY, INSTRUCTIONS AND ELECTION NOTICE  
FOR AFFECTED UNSECURED CREDITORS IN THE MATTER OF THE PROPOSED  
CCAA PLAN OF REORGANIZATION AND COMPROMISE**

**Involving**

**ABITIBIBOWATER INC. AND CERTAIN OF ITS SUBSIDIARIES**

**MEETING OF AFFECTED UNSECURED CREDITORS**

to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on July 9, 2010 (the "**Creditors' Meeting Order**") in connection with the CCAA Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries pursuant to the *Companies' Creditors Arrangement Act* (Canada) and Section 191 of the *Canada Business Corporations Act* (Canada) (as amended from time to time, the "**CCAA Plan**")

on **[August 26]**, 2010 at **[10:00 a.m.]** (Montréal time) at  
the Hilton Montreal Bonaventure,  
900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada

and at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

**PROXY, AFFECTED UNSECURED CREDITORS' INSTRUCTIONS  
AND ELECTION NOTICE**

COMPLETE, SIGN AND DATE THIS PROXY AND RETURN IT TO ERNST & YOUNG INC., IN ITS CAPACITY AS MONITOR, BY 5:00 P.M. EASTERN TIME ON **[August 25]**, 2010 (THE "**VOTING DEADLINE**"). PLEASE RETURN YOUR ORIGINAL PROXY TO THE MONITOR SO THAT IT IS ACTUALLY RECEIVED ON OR BEFORE THE VOTING DEADLINE. This Proxy may also be deposited with the Chair at the Creditors' Meeting before the beginning of the Creditors' Meeting.

**LA VERSION FRANÇAISE DE CETTE PROCURATION ET DE CE BULLETIN DE VOTE SERA DISPONIBLE SUR LE SITE WEB DU CONTRÔLEUR DÉSIGNÉ AUX TERMES DE LA LACC, À L'ADRESSE [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater)**

Please use this Proxy if you do not wish to attend the Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend the Creditors' Meeting, vote your Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The CCAA Plan is Appendix C to the Notice of Meeting and information circular of AbitibiBowater Inc. and certain of its subsidiaries dated ●, 2010 (collectively, the "**Circular**"), a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Circular.

You should review the Circular and the CCAA Plan before you vote. In addition, on **[July 9]**, 2010, the Québec Superior Court (Commercial Division) issued an order establishing certain procedures for the conduct of the Creditors' Meeting (the "**Creditors' Meeting Order**"), a copy of which is Appendix D to the Circular. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is sanctioned by the Québec Superior Court, it will be binding on you whether or not you vote.

#### **ITEM 1. APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the two boxes below, the undersigned Affected Unsecured Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either \_\_\_\_\_ or a representative of Ernst & Young Inc., in its capacity as Monitor, as proxyholder (if you would like the Monitor to act as your proxyholder, leave space blank) with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and any adjournment(s) thereof, and to vote the amount of the Creditors' Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or any adjournment thereof and to vote the amount of the Affected Unsecured Creditor's Claim(s) for voting purposes as set out in the document entitled

["Voting Claims Schedule"] found on AbitibiBowater Inc.'s website at [www.abitibibowater.com](http://www.abitibibowater.com) and on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater) or as otherwise permitted pursuant to the Creditors' Meeting Order and the CCAA Plan as follows (mark only one):

☐ Vote FOR approval of the CCAA Plan      ☐ Vote AGAINST approval of the CCAA Plan

Please note that if no specification is made hereinabove, the Non-registered Noteholder will be deemed to have voted FOR approval of the CCAA Plan.

**ITEM 2. CONVENIENCE CLAIM ELECTIONS.**

A. **If your Claim exceeds CDN\$6,073** (being equivalent to US\$5,000), by checking the box below, you may irrevocably **elect to reduce your Claim to an amount equal to CDN\$6,073 (US\$5,000)** and thereby receive payment, if the Claim becomes a Proven Claim under the CCAA Plan, in cash in an amount of CDN\$3,036.50 (being 50% of your reduced Claim) in full satisfaction of such Claim. **If you fail to check the box below, you will be deemed not to have made such election.**

☐ The undersigned elects to make this election and reduce its Claim that is greater than CDN\$6,073 or US\$5,000 to a Claim of CDN\$6,073 or US\$5,000 and thereby receive payment, in cash of an amount of CDN\$3,036.50 in full satisfaction of such Claim.

B. **If your Claim is equal to or less than CDN\$6,073** (being equivalent to US\$5,000), by checking the box below, you may elect not to receive a cash distribution on account of your Claim and, if applicable, receive your Pro Rata share of New ABH Common Stock. **If your Claim is equal to or less than CDN\$6,073 and you do not check the box below, you will receive a cash distribution if the Claim becomes a Proven Claim under the CCAA Plan.**

☐ Elect **NOT TO** receive a cash distribution AND accordingly receive, if applicable, your Pro Rata share of New ABH Common Stock in accordance with the CCAA Plan.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Print Name of Affected Unsecured Creditor

\_\_\_\_\_  
Claim Number (may be found on the Voting Claims Schedule found on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater) or on your Subscription Form)

\_\_\_\_\_  
Signature of Affected Unsecured Creditor or, if the Affected Unsecured Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

\_\_\_\_\_  
Title of the authorized signing officer of the corporation, partnership or trust, if applicable

\_\_\_\_\_  
E-mail address of Affected Unsecured Creditor

\_\_\_\_\_  
Telephone number of Affected Unsecured Creditor or authorized signing officer

\_\_\_\_\_  
Mailing Address of Affected Unsecured Creditor

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the CCAA Plan. This Proxy is not a letter of transmittal and may not be used for any purpose other than to appoint a proxyholder and to cast votes to accept or reject the CCAA Plan.

**YOUR ORIGINAL PROXY MUST BE ACTUALLY RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW ON OR BEFORE 5:00 P.M. EASTERN TIME ON THE VOTING DEADLINE ([August 25], 2010), OR YOUR PROXYHOLDER APPOINTMENT AND VOTE, AND ELECTIONS, IF ANY, WILL NOT BE COUNTED. YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. PROXIES SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC SUBMISSION WILL NOT BE COUNTED.**

**ERNST & YOUNG INC.  
MONITOR OF ABITIBIBOWATER INC. et al.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada  
Attention: ABH et al. Creditors' Meeting**

This Proxy may also be hand-delivered to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL PROXY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT 1-866-246-7889 OR VISIT THE MONITOR'S WEBSITE AT [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater)**

## INSTRUCTIONS FOR COMPLETION OF PROXY AND ELECTION NOTICE

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the information circular of AbitibiBowater Inc. and certain of its subsidiaries dated ●, 2010, a copy of which you have received.
2. Please read and follow these instructions carefully. Your Proxy must be actually received by the Monitor by (a) first class mail in the pre-paid, pre-addressed return envelope provided with the Proxy or (b) personal delivery, overnight courier, or first class mail to Ernst & Young Inc., Monitor of AbitibiBowater Inc. et al., 800 René-Lévesque Blvd. West, Suite 2000, Montreal, Québec, H3B 1X9, Canada no later than 5:00 p.m. Eastern Time on **[August 25]**, 2010, unless such time is extended, or your Proxy will not be counted.
3. The aggregate amount of your Claim in respect of which you are entitled to vote is set out in the document entitled **["Voting Claims Schedule"]** found on AbitibiBowater Inc.'s website at [www.abitibibowater.com](http://www.abitibibowater.com) and on the Monitor's website (the **"Voting Claims Schedule"**) at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater). If no amount is set out in the Voting Claims Schedule in respect of your Claim or if you disagree with the amount of your Claim listed in the Voting Claims Schedule, you should immediately contact the Monitor at the telephone number below. If your Claim is disputed and cannot be resolved prior to the date on which your Proxy must be delivered to the Monitor, your Claim (or such disputed portion thereof) will be treated as a Disputed Claim and your Proxy will be dealt with as set out in paragraph **[46]** of the Creditors' Meeting Order.
4. In order to appoint a proxyholder for the Creditors' Meeting using this Proxy and for your vote to accept or reject the CCAA Plan to count, you must:
  - a. If you wish to vote by proxy rather than in person at the Creditors' Meeting, either write in the name of your proxyholder in Item 1 or, if you would like a representative of the Monitor to act as your proxyholder, leave the space blank;
  - b. Check the appropriate box in Item 1 if you wish to vote by proxy rather than in person at the Creditors' Meeting (NOTE: if you do not check either box, you will be deemed to have voted to FOR approval of the CCAA Plan);
  - c. Check appropriate box in Item 2 if wish to make the election set forth in Item 2. All such elections once delivered to the Monitor will be final, unconditional and irrevocable and no creditor shall be entitled to change, revoke or withdraw its elections after receipt by the Monitor of such Proxy. You may not subdivide your CCAA Claim into multiple Unsecured Claims of CDN\$6,073 or US\$5,000 or less;
  - d. Sign the Proxy — your original signature is required on the Proxy in order to appoint a proxyholder and vote at the Creditors' Meeting ;
  - e. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently

requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and

- f. Return the completed Proxy to the Monitor (a) in the pre-addressed envelope enclosed with this Proxy or (b) via personal delivery, overnight courier, or first class mail to Ernst & Young Inc., Monitor of AbitibiBowater Inc. et al., 800 René-Lévesque Blvd. West, Suite 2000, Montreal, Québec, H3B 1X9, Canada, so that it is actually received no later than 5:00 p.m. Eastern Time on **[August 25]**, 2010.
5. Each Affected Unsecured Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Unsecured Creditor) to attend, act and vote for and on behalf of the Affected Unsecured Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. If no name has been inserted in the space provided, the Affected Unsecured Creditor will be deemed to have appointed any officer of Ernst & Young Inc., in its capacity as Monitor, or such other person as Ernst & Young Inc. may designate, as proxy holder of the Affected Unsecured Creditor, with power of substitution, to attend on behalf of and act for the Affected Unsecured Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof.
6. If you elected in Item 2B not to receive a cash distribution (or if you are not eligible to do so) you will receive, in full and final satisfaction of your Claims, your Pro Rata share of the number of shares of New ABH Common Stock set forth against the relevant Affected Unsecured Creditor Class in Schedule "B" to the CCAA Plan, in accordance with the provisions of the CCAA Plan, in the event that the CCAA Plan is accepted by the Required Majorities of Affected Unsecured Creditors and approved by the Court, provided, however, that each Affected Unsecured Creditor with Proven Claims in respect of a 15.5% Senior Unsecured Note Claim against a Canadian Petitioner will ultimately receive, in full and final satisfaction of such Proven Claims, its 15.5% Pro Rata share of the number of shares of New ABH Common Stock set forth against the name of the relevant Canadian Petitioner in Schedule "C" to the CCAA Plan.
7. If you believe you received the wrong form of Proxy, or if you need additional Proxies, please immediately contact the Monitor.
8. If multiple Proxies are received from the same person with respect to the same Claims prior to the Voting Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
9. If the Creditor validly submits a Proxy to the Monitor and subsequently attends the Creditors' Meeting and votes in person inconsistently, the Creditor's vote at the Creditors' Meeting will supersede and revoke the earlier received Proxy.

10. Proxies may also be accepted if deposited with the Chair at the CCAA Creditors' Meeting before the beginning of the Creditors' Meeting, or, for purposes of voting at an adjourned, postponed or other rescheduled Creditors' Meeting, if received by the Monitor prior to 5:00 p.m. Eastern Time on the Business Day immediately preceding any adjournment, postponement or other rescheduling thereof.
11. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
12. Any Proxy that attempts to partially accept and partially reject the CCAA Plan will not be counted.
13. After the Voting Deadline, no Proxy may be withdrawn or modified, except by Proxy deposited with the Chair at the Creditors' Meeting or by a Creditor voting in person at the Creditors' Meeting, without the prior consent of the Debtors.
14. If you hold Claims in more than one Class under the CCAA Plan, you may receive more than one Proxy for each different Class. Each Proxy votes only your Claims for which you indicate a Claims Number on that Proxy. You may indicate multiple Claims Numbers on a single Proxy.

**PLEASE MAIL YOUR PROXY PROMPTLY.  
PROXIES SUBMITTED BY FACSIMILE OR OTHER  
ELECTRONIC SUBMISSION WILL NOT BE COUNTED.**

**IF YOU HAVE ANY QUESTIONS REGARDING THE PROXY OR THE  
PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF THE  
PROXY OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE  
MONITOR AT 1-866-246-7889 OR  
VISIT THE MONITOR'S WEBSITE AT  
[www.ey.com/ca/abitibowater](http://www.ey.com/ca/abitibowater)**

**YOU MAY USE THE PRE-ADDRESSED, RETURN ENVELOPE PROVIDED WITH THE  
PROXY, OR YOU MAY RETURN YOUR PROXY BY PERSONAL DELIVERY, OVERNIGHT  
COURIER, OR FIRST CLASS MAIL TO THE MONITOR AT THE FOLLOWING  
ADDRESS:**

**ERNST & YOUNG INC.  
MONITOR OF ABITIBIBOWATER INC. et al.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada  
Attention: ABH et al. Creditors' Meeting**

SCHEDULE "H"  
PROXY, INSTRUCTIONS AND ELECTION NOTICE  
FOR NON-REGISTERED NOTEHOLDERS

IN THE MATTER OF THE PROPOSED  
CCAA PLAN OF REORGANIZATION AND COMPROMISE

Involving

ABITIBIBOWATER INC. AND CERTAIN OF ITS SUBSIDIARIES

MEETING OF NON-REGISTERED NOTEHOLDERS

to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on July 9, 2010 (the "**Creditors' Meeting Order**") in connection with the CCAA Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries pursuant to the *Companies' Creditors Arrangement Act* (Canada) and Section 191 of the *Canada Business Corporations Act* (Canada) (as amended from time to time, the "**CCAA Plan**")

on [August 26], 2010 at [10:00 a.m.] (Montréal time) at  
the Hilton Montreal Bonaventure,  
900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada

and at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

|                                                    |
|----------------------------------------------------|
| PROXY AND NON-REGISTERED NOTEHOLDERS' INSTRUCTIONS |
|----------------------------------------------------|

COMPLETE, SIGN AND DATE THIS PROXY AND RETURN IT TO ERNST & YOUNG INC., IN ITS CAPACITY AS MONITOR, BY 5:00 P.M. EASTERN TIME ON **[August 25]**, 2010 (THE "**VOTING DEADLINE**"). PLEASE RETURN YOUR ORIGINAL PROXY TO THE MONITOR SO THAT IT IS ACTUALLY RECEIVED ON OR BEFORE THE VOTING DEADLINE. YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR PROXY SHOULD BE SENT DIRECTLY TO ERNST & YOUNG INC. This Proxy may also be deposited with the Chair at the Creditors' Meeting before the beginning of the Creditors' Meeting.

**LA VERSION FRANÇAISE DE CETTE PROCURATION ET DE CE BULLETIN DE VOTE SERA DISPONIBLE SUR LE SITE WEB DU CONTRÔLEUR DÉSIGNÉ AUX TERMES DE LA LACC, À L'ADRESSE [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater).**

Please use this Proxy if you do not wish to attend the Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend the Creditors' Meeting, vote your Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The CCAA Plan is Appendix C to the Notice of Meeting and information circular of AbitibiBowater Inc. and certain of its subsidiaries dated ●, 2010 (collectively, the "**Circular**"), a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Circular.

You should review the Circular and the CCAA Plan before you vote. In addition, on **[July 9]**, 2010, the Québec Superior Court (Commercial Division) issued an order establishing certain procedures for the conduct of the Creditors' Meeting (the "**Creditors' Meeting Order**"), a copy of which is Appendix D to the Circular. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is sanctioned by the Québec Superior Court, it will be binding on you whether or not you vote.

**TO BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER PRIOR TO SENDING THIS PROXY TO THE NON-REGISTERED NOTEHOLDER**

Name of Non-registered Noteholder: \_\_\_\_\_

Name of Participant Holder for this Non-registered Noteholder: \_\_\_\_\_

Account Number: \_\_\_\_\_

Type (please check) and principal amount of Canadian Unsecured Notes held for this Non-registered Noteholder:

- |                                                                                                                                               |       |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|
| <input type="checkbox"/> 6.00% Senior Notes due June 20, 2013 issued by ACCC                                                                  | _____ | Amount |
| <input type="checkbox"/> 7.40% Debentures due April 1, 2018 issued by ACI                                                                     | _____ | Amount |
| <input type="checkbox"/> 7.50% Debentures due April 1, 2028 issued by ACI                                                                     | _____ | Amount |
| <input type="checkbox"/> 7.75% Notes due June 15, 2011 issued by ACCC                                                                         | _____ | Amount |
| <input type="checkbox"/> 7.875% Notes due August 1, 2009 issued by ACF LP                                                                     | _____ | Amount |
| <input type="checkbox"/> 7.95% Notes due November 15, 2011 issued by BCFC                                                                     | _____ | Amount |
| <input type="checkbox"/> 8.375% Senior Notes due April 1, 2015 issued by ACCC                                                                 | _____ | Amount |
| <input type="checkbox"/> 8.50% Debentures due August 1, 2029 issued by ACI                                                                    | _____ | Amount |
| <input type="checkbox"/> 8.55% Senior Notes due August 1, 2010 issued by ACI                                                                  | _____ | Amount |
| <input type="checkbox"/> 8.85% Debentures due April 1, 2030 issued by ACI                                                                     | _____ | Amount |
| <input type="checkbox"/> 10.26% Senior Notes (Series D) due January 15, 2011 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) | _____ | Amount |
| <input type="checkbox"/> 10.50% Senior Notes (Series B) due June 15, 2010 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited)    | _____ | Amount |
| <input type="checkbox"/> 10.60% Senior Notes (Series C) due January 15, 2011 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) | _____ | Amount |
| <input type="checkbox"/> 10.625% Senior Notes (Series A) due June 15, 2010 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited)   | _____ | Amount |
| <input type="checkbox"/> 10.85% Debentures due November 30, 2014 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited)             | _____ | Amount |
| <input type="checkbox"/> 15.5% Senior Unsecured Notes due July 15, 2010 issued by ACCC                                                        | _____ | Amount |
| <input type="checkbox"/> Floating Rate Notes due June 15, 2011 issued by ACCC                                                                 | _____ | Amount |

Participant Holder Signature: \_\_\_\_\_

(Print Name of Contact at Participant Holder)

Phone Number of Participant Holder: \_\_\_\_\_

By: \_\_\_\_\_

(Signature of authorized signing officer of Participant Holder)

ACCC = Abitibi-Consolidated Company of Canada; ACI = Abitibi-Consolidated Inc.; ACF LP = Abitibi-Consolidated Finance L.P.; BCFC = Bowater Canada Finance Corporation; BCFPI = Bowater Canadian Forest Products Inc.

**REMAINDER OF PROXY TO BE COMPLETED BY THE NON-REGISTERED  
NOTEHOLDER**

**APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the two boxes below, the undersigned Non-registered Noteholder hereby revokes all proxies previously given and nominates, constitutes and appoints either \_\_\_\_\_ or a representative of Ernst & Young Inc., in its capacity as Monitor, as proxyholder (if you would like the Monitor to act as your proxyholder, leave space blank) with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and any adjournment(s) thereof, and to vote the amount of the Creditors' Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or any adjournment thereof and to vote the amount of the Non-registered Noteholder's Claim(s) for voting purposes as set out in the document entitled ["Voting Claims Schedule"] found on AbitibiBowater Inc.'s website at [www.abitibibowater.com](http://www.abitibibowater.com) and on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater) or as otherwise permitted pursuant to the Creditors' Meeting Order and the CCAA Plan as follows (mark only one):

☐ Vote **FOR** approval of the CCAA Plan

☐ Vote **AGAINST** approval of the CCAA Plan

**Please note that if no specification is made hereinabove, the Non-registered Noteholder will be deemed to have voted FOR approval of the CCAA Plan.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Print Name of Non-registered Noteholder

\_\_\_\_\_  
Mailing Address of Non-registered Noteholder

\_\_\_\_\_  
Signature of Non-registered Noteholder or, if the Non-registered Noteholder is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

\_\_\_\_\_  
Title of the authorized signing officer of the corporation, partnership or trust, if applicable

\_\_\_\_\_  
E-mail address of Non-registered Noteholder

\_\_\_\_\_  
Telephone number of Non-registered Noteholder or authorized signing officer

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the CCAA Plan. This Proxy is not a letter of transmittal and may not be used for any purpose other than to appoint a proxyholder and to cast votes to accept or reject the CCAA Plan.

**YOUR ORIGINAL PROXY MUST BE ACTUALLY RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW ON OR BEFORE 5:00 P.M. EASTERN TIME ON THE VOTING DEADLINE ([August 25], 2010), OR YOUR PROXYHOLDER APPOINTMENT AND VOTE, AND ELECTIONS, IF ANY, WILL NOT BE COUNTED. YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. PROXIES SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC SUBMISSION WILL NOT BE COUNTED.**

**ERNST & YOUNG INC.  
MONITOR OF ABITIBIBOWATER INC. et al.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada  
Attention: ABH et al. Creditors' Meeting**

This Proxy may also be hand-delivered to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL PROXY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT 1-866-246-7889 OR VISIT THE MONITOR'S WEBSITE AT [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater)**

## INSTRUCTIONS FOR COMPLETION OF PROXY AND ELECTION NOTICE

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the information circular of AbitibiBowater Inc. and certain of its subsidiaries dated ●, 2010, a copy of which you have received.
2. You are considered a Non-registered Noteholder because your Canadian Unsecured Notes are shown by the books and records of the trustee under your Canadian Unsecured Notes Indenture to be held by your broker, DTC, CDS, or another similar holder (a "**Participant Holder**") on your behalf.
3. The box on page 3 of your proxy should have been completed and signed by your Participant Holder. If it has not been completed and signed, please contact your Participant Holder to arrange for it to be completed and signed.
4. Please read and follow these instructions carefully. Your Proxy must be actually received by the Monitor by (a) first class mail in the pre-paid, pre-addressed return envelope provided with the Proxy or (b) personal delivery, overnight courier, or first class mail to Ernst & Young Inc., Monitor of AbitibiBowater Inc. et al., 800 René-Lévesque Blvd. West, Suite 2000, Montreal, Québec, H3B 1X9, Canada no later than 5:00 p.m. Eastern Time on **[August 25]**, 2010, unless such time is extended, or your Proxy will not be counted.
5. THE TOTAL AMOUNT OF ALL CANADIAN UNSECURED NOTES CLAIMS HAS BEEN DETERMINED AND ACCEPTED BY THE PETITIONERS. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM IN ORDER TO RECEIVE A DISTRIBUTION UNDER THE CCAA PLAN.
6. In order to appoint a proxyholder for the Creditors' Meeting using this Proxy and for your vote to accept or reject the CCAA Plan to count, you must:
  - a. If you wish to vote by proxy rather than in person at the Creditors' Meeting, either write in the name of your proxyholder in Item 1 or, if you would like a representative of the Monitor to act as your proxyholder, leave the space blank;
  - b. Check the appropriate box if you wish to vote by proxy rather than in person at the Creditors' Meeting (NOTE: if you do not check either box, you will be deemed to have voted to FOR approval of the CCAA Plan);
  - c. Sign the Proxy – your original signature is required on the Proxy in order to appoint a proxyholder and vote at the Creditors' Meeting;
  - d. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and

- e. Return the completed Proxy to the Monitor (a) in the pre-addressed envelope enclosed with this Proxy or (b) via personal delivery, overnight courier, or first class mail to Ernst & Young Inc., Monitor of AbitibiBowater Inc. et al., 800 René-Lévesque Blvd. West, Suite 2000, Montreal, Québec, H3B 1X9, Canada, so that it is actually received no later than 5:00 p.m. Eastern Time on **[August 25]**, 2010.
7. Each Non-registered Noteholder who has a right to vote at the Creditors' Meeting has the right to attend or appoint a person to attend, act and vote for and on behalf of the Non-registered Noteholder and such right may be exercised by inserting in the space provided the name of the Non-registered Noteholder or of the person to be appointed, as the case may be. If no name has been inserted in the space provided, the Non-registered Noteholder will be deemed to have appointed any officer of Ernst & Young Inc., in its capacity as Monitor, or such other person as Ernst & Young Inc. may designate, as proxy holder of the Non-registered Noteholder, with power of substitution, to attend on behalf of and act for the Non-registered Noteholder at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof.
8. You will receive, in full and final satisfaction of your Claims, your Pro Rata share of the number of shares of New ABH Common Stock set forth against the relevant Affected Unsecured Creditor Class in Schedule "B" to the CCAA Plan, in accordance with the provisions of the CCAA Plan, in the event that the CCAA Plan is accepted by the Required Majorities of Affected Unsecured Creditors and approved by the Court, provided, however, that each Non-registered Noteholder with Proven Claims in respect of a 15.5% Senior Unsecured Note Claim against a Canadian Petitioner will ultimately receive, in full and final satisfaction of such Proven Claims, its 15.5% Pro Rata share of the number of shares of New ABH Common Stock set forth against the name of the relevant Canadian Petitioner in Schedule "C" to the CCAA Plan.
9. If you believe you received the wrong form of Proxy, or if you need additional Proxies, please immediately contact the Monitor.
10. If multiple Proxies are received from the same person with respect to the same Claims prior to the Voting Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
11. If the Creditor validly submits a Proxy to the Monitor and subsequently attends the Creditors' Meeting and votes in person inconsistently, the Creditor's vote at the Creditors' Meeting will supersede and revoke the earlier received Proxy.
12. Proxies may also be accepted if deposited with the Chair at the CCAA Creditors' Meeting before the beginning of the Creditors' Meeting, or, for purposes of voting at an adjourned, postponed or other rescheduled Creditors' Meeting, if received by the

Monitor prior to 5:00 p.m. Eastern Time on the Business Day immediately preceding any adjournment, postponement or other rescheduling thereof.

13. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
14. Any Proxy that attempts to partially accept and partially reject the CCAA Plan will not be counted.
15. After the Voting Deadline, no Proxy may be withdrawn or modified, except by Proxy deposited with the Chair at the Creditors' Meeting or by a Creditor voting in person at the Creditors' Meeting, without the prior consent of the Debtors.
16. If you hold Claims in more than one Class under the CCAA Plan, you may receive more than one Proxy for each different Class. Each Proxy votes only your Claims for which you indicate a Claims Number on that Proxy. You may indicate multiple Claims Numbers on a single Proxy.

**PLEASE MAIL YOUR PROXY PROMPTLY.  
PROXIES SUBMITTED BY FACSIMILE OR OTHER  
ELECTRONIC SUBMISSION WILL NOT BE COUNTED.**

**IF YOU HAVE ANY QUESTIONS REGARDING THE PROXY OR THE  
PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF THE  
PROXY OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE  
MONITOR AT 1-866-246-7889 OR  
VISIT THE MONITOR'S WEBSITE AT  
[www.ey.com/ca/abitibowater](http://www.ey.com/ca/abitibowater)**

**YOU MAY USE THE PRE-ADDRESSED, RETURN ENVELOPE PROVIDED WITH THE  
PROXY, OR YOU MAY RETURN YOUR PROXY BY PERSONAL DELIVERY, OVERNIGHT  
COURIER, OR FIRST CLASS MAIL TO THE MONITOR AT THE FOLLOWING  
ADDRESS:**

**ERNST & YOUNG INC.  
MONITOR OF ABITIBIBOWATER INC. et al.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montreal, Québec  
H3B 1X9 Canada  
Attention: ABH et al. Creditors' Meeting**

**YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR  
PROXY SHOULD BE SENT DIRECTLY TO ERNST & YOUNG INC.**

SCHEDULE "I"

INSTRUCTIONS TO PARTICIPANT HOLDERS

IN THE MATTER OF THE PROPOSED  
CCAA PLAN OF REORGANIZATION AND COMPROMISE

involving

ABITIBIBOWATER INC. AND CERTAIN OF ITS SUBSIDIARIES

●, 2010

**TO:** PARTICIPANT HOLDERS OF UNSECURED NOTES OF ABITIBIBOWATER INC.  
AND CERTAIN OF ITS SUBSIDIARIES

**Re:** Meeting of Affected Unsecured Creditors to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on [July 8], 2010 (the "**Creditors' Meeting Order**") in connection with the CCAA Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries pursuant to the *Companies' Creditors Arrangement Act* (Canada) and Section 191 of the *Canada Business Corporations Act* (Canada) (as amended from time to time, the "**CCAA Plan**")

on [August 26], 2010 at [10:00 a.m.] (Montréal time) at:

●

and at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

According to the records of CDS Clearing and Depository Services Inc. ("**CDS**"), Depository Trust Company ("**DTC**") [or the applicable indenture trustees], you are the holder or custodian (the "**Participant Holder**") on behalf of a non-registered holder (a "**Non-registered Noteholder**") of one or more of the following series of Notes:

- 6.00% Senior Notes due June 20, 2013 issued by Abitibi-Consolidated Company of Canada
- 7.40% Debentures due April 1, 2018 issued by Abitibi-Consolidated Inc.
- 7.50% Debentures due April 1, 2028 issued by Abitibi-Consolidated Inc.
- 7.75% Notes due June 15, 2011 issued by Abitibi-Consolidated Company of Canada
- 7.875% Notes due August 1, 2009 issued by Abitibi-Consolidated Finance L.P.;
- 7.95% Notes due November 15, 2011 issued by Bowater Canada Finance Corporation
- 8.375% Senior Notes due April 1, 2015 issued by Abitibi-Consolidated Company of Canada

- 8.50% Debentures due August 1, 2029 issued by Abitibi-Consolidated Inc.
- 8.55% Senior Notes due August 1, 2010 issued by Abitibi-Consolidated Inc.
- 8.85% Debentures due April 1, 2030 issued by Abitibi-Consolidated Inc.
- 10.26% Senior Notes (Series D) due January 15, 2011 issued by Bowater Canadian Forest Products Inc. (f/k/a Canadian Pacific Forest Products Limited)
- 10.50% Senior Notes (Series B) due June 15, 2010 issued by Bowater Canadian Forest Products Inc. (f/k/a Canadian Pacific Forest Products Limited)
- 10.60% Senior Notes (Series C) due January 15, 2011 issued by Bowater Canadian Forest Products Inc. (f/k/a Canadian Pacific Forest Products Limited)
- 10.625% Senior Notes (Series A) due June 15, 2010 issued by Bowater Canadian Forest Products Inc. (f/k/a Canadian Pacific Forest Products Limited)
- 10.85% Debentures due November 30, 2014 issued by Bowater Canadian Forest Products Inc. (f/k/a Canadian Pacific Forest Products Limited)
- 15.5% Senior Unsecured Notes due July 15, 2010 issued by Abitibi-Consolidated Company of Canada
- Floating Rate Notes due June 15, 2011 issued by Abitibi-Consolidated Company of Canada

You (or your agent) are required by paragraph [25] of the enclosed Court Order dated [July 8], 2010 to complete and sign the applicable part (the box on page 3) of an enclosed Proxy for Non-registered Noteholders, Instructions and Election Notice (the "**Proxy for Non-registered Noteholders**") for each Non-registered Noteholder for whom you act as Participant Holder and to mail it directly to each such applicable Non-registered Noteholder within five (5) Business Days.

We enclose Meeting Materials for Non-registered Noteholders to be forwarded by you or your agent (together with a Proxy for Non-registered Noteholders appropriately completed and signed by you or your agent) to each of the Non-registered Noteholders of above-mentioned Notes recorded in your account records or book entry records. We enclose one additional copy of these materials for your use. **THE MATERIALS ARE TIME SENSITIVE AND SHOULD BE FORWARDED TO THE UNREGISTERED BONDHOLDERS WITHOUT DELAY.**

THE TOTAL AMOUNT OF ALL NOTE CLAIMS HAS BEEN DETERMINED AND ACCEPTED BY THE APPLICANTS. THEREFORE A PROOF OF CLAIM IS NOT REQUIRED FROM A NOTEHOLDER.

The Proxy for Non-registered Noteholder is to be completed and signed by you or your agent and by the Non-registered Noteholder and to be provided by the Non-registered Noteholder directly to the Applicants' Monitor, Ernst & Young Inc.

**YOU SHOULD INSTRUCT NON-REGISTERED NOTEHOLDERS TO DELIVER THEIR PROXIES DIRECTLY TO ERNST & YOUNG INC. IN ACCORDANCE WITH THE**

**INSTRUCTIONS TO NON-REGISTERED NOTEHOLDERS. PROXIES MUST BE RECEIVED BY ERNST & YOUNG INC. PRIOR TO THE DEADLINE OF 5:00 P.M. ON ●, 2010 OR BE DELIVERED IN PERSON BY THE NON-REGISTERED NOTEHOLDERS OR ITS PROXY TO THE CHAIR AT THE MEETING.**

Before sending the Proxy for Non-registered Noteholder and the other material to a Non-registered Noteholder, please:

1. insert in the Proxy for Non-registered Noteholder (in the box on page 2) in the appropriate spaces the name of the applicable Unregistered Bondholder, your name, as Participant Holder, the applicable account number and check the box corresponding to the type of Note held and the principal amount of the such Notes held in such account; and
2. sign the Proxy for Non-registered Noteholder as Participant Holder where indicated.

Additional copies of the materials may be obtained by contacting the undersigned.

We request that you provide any assistance that a Non-registered Noteholder may require in completing its Proxy for Non-registered Noteholder. You are not required to compile or provide to Ernst & Young Inc. any information regarding Noteholders' votes. You are required only to complete and sign the Proxy for Non-registered Noteholder as specified in these instructions and to forward such Proxy for Non-registered Noteholder and the other materials to the applicable Non-registered Noteholders.

If you have any questions regarding your obligations or the process, please contact the Monitor of the Applicants, at the following address:

**By telephone (toll-free):** 1-866-246-7889

**By registered mail:** Ernst & Young Inc.  
800 René-Lévesque Blvd. West  
Suite 2000  
Montréal, Québec  
H3B 1X9 Canada

Attention: ABH et al. Creditors' Meeting

**By facsimile:** 1-514-879-3992

**By email:** [abitibibowater@ca.ey.com](mailto:abitibibowater@ca.ey.com)

You can view copies of documents relating to this process on the Monitor's website at [www.ey.com/ca/abitibibowater](http://www.ey.com/ca/abitibibowater).

**SCHEDULE "J"**  
**NOTICE OF RIGHTS OFFERING**

**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF DELAWARE**

|                                           |   |                         |
|-------------------------------------------|---|-------------------------|
| In re:                                    | ) | Chapter 11              |
|                                           | ) |                         |
|                                           | ) | Case No. 09-11296 (KJC) |
| ABITIBIBOWATER INC., et al., <sup>1</sup> | ) |                         |
|                                           | ) | (Jointly Administered)  |

**NOTICE OF COMMENCEMENT OF RIGHTS OFFERING**

**TO CREDITORS IN CLASS 6 OF THE U.S. PLAN AND AFFECTED UNSECURED CREDITORS UNDER THE CCAA PLAN, PLEASE TAKE NOTICE THAT:**

1. **Approval of Disclosure Statement.** On [●, 2010], the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") entered an order (the "**Order**") authorizing AbitibiBowater Inc. and certain of its subsidiaries and affiliates in the above-captioned chapter 11 cases (collectively, the "**U.S. Debtors**") to solicit votes with regard to the approval or rejection of the Debtors' *First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**U.S. Plan**"). To solicit votes, the Debtors will mail a disclosure statement that describes the terms of the U.S. Plan (the "**Disclosure Statement**"), among other materials, to their creditors.

2. **Approval of Information Circular.** On [●, 2010], the Quebec Superior Court of Justice, Commercial Division, for the Judicial District of Montreal, Canada (the "**Canadian Court**") entered an order (the "**CCAA Order**") authorizing AbitibiBowater Inc. and certain of its

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the "**SPV Debtors**") commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors' and SPV Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

affiliates who have commenced bankruptcy cases pursuant to Canada's *Companies' Creditors Arrangement Act* (collectively, the "**CCAA Debtors**" and, together with the U.S. Debtors, the "**Debtors**") to solicit votes with regard to the approval or rejection of the *Plan of Reorganization and Compromise of AbitibiBowater Inc. and Certain of Its Subsidiaries* (the "**CCAA Plan**" and, together with the U.S. Plan, the "**Plans**"). To solicit votes, the CCAA Debtors will mail an information circular that describes the terms of the CCAA Plan (the "**Information Circular**"), among other materials, to their creditors.

3. **Rights Offering.** As part of the Plans, holders of claims in Class 6 under the Plan and holders of Affected Unsecured Claims under the CCAA Plan as of June 30, 2010 (the "**Record Date**") (collectively, the "**Eligible Holders**") will receive rights ("**Subscription Rights**") to purchase, in the aggregate, up to \$500 million of Convertible Unsecured Subordinated Notes (the "**Notes**") pursuant to a rights offering conducted under the Plans (the "**Rights Offering**"). Details regarding the Rights Offering are available in the U.S. Plan at section 6.12 and in the disclosure statement related to the U.S. Plan at sections 8.E and 9, in the CCAA Plan at section ● and in the information circular related to the CCAA at section ●, and in the backstop commitment agreement (the "**Backstop Commitment Agreement**"), which is attached as an exhibit to the disclosure statement and the information circular. As an Eligible Holder, you have the right, but not the obligation, to participate in the Rights Offering. Neither this notice, the Subscription Form nor any other document related to the Rights Offering has been approved or disapproved by the Securities and Exchange Commission ("**SEC**") or the securities regulators of any state. You should evaluate such documents in light of the purpose for which they were prepared.

4. **Allocation of Subscription Rights.** Subscription Rights will be allocated among Eligible Holders so that each Eligible Holder has the right to purchase an amount of Notes that is equal to the proportionate share of common stock in the reorganized Company that such Eligible Holder is expected to receive under the Plans on account of its claims against each Debtor or CCAA Debtor, as such claims are allowed for voting and subscription purposes as of the Record Date. The number of Notes that each Eligible Holder may elect to purchase through the Rights Offering is identified on the subscription form sent to each such holder (the "**Subscription Form**").

5. **Subscription Commencement Date.** The Rights Offering shall commence on a date no later than July 15, 2010, or as soon as reasonably practicable thereafter (the "**Subscription Commencement Date**"). On that date, the Debtors will mail a Subscription Form, together with instructions on how to validly exercise Subscription Rights, to each Eligible Holder.

6. **Exercise of Subscription Rights.** To exercise your Subscription Rights, on or before August 27, 2010 (the "**Rights Offering Expiration Date**"), you must (i) deliver a completed Subscription Form to Epiq Bankruptcy Solutions, LLC ("**Epiq**") and (ii) pay or arrange for payment to the Escrow Agent identified on the Subscription Form of the purchase price for the Notes you are electing to purchase (the "**Subscription Purchase Price**") in accordance with the wire instructions set forth on the Subscription Form. Only payment of the Subscription Purchase Price by wire transfer of U.S. dollars will be accepted. If you own securities that are held through The Depository Trust Company ("**DTC**") or through Clearing and Depository Services Inc. ("**CDS**") and choose to subscribe in the Rights Offering, you must send the

Subscription Form to the relevant bank or brokerage firm (or follow the procedures established by DTC, CDS or such firm) and make arrangements to have the Subscription Purchase Price paid, with enough time for your subscription and payment to be effected through DTC or CDS. In each case, whether submitted directly or through DTC or CDS, all Subscription Forms and Subscription Purchase Price funds must actually be received on or before the Rights Offering Expiration Date. **If Epiq and the Escrow Agent for any reason do not receive (i) your duly completed Subscription Form or equivalent instructions from DTC or CDS, as applicable and (ii) immediately available funds in an amount equal to your Subscription Purchase Price, in each case, on or prior to the Rights Offering Expiration Date, you shall be deemed to have relinquished and irrevocably waived your right to participate in the Rights Offering.**

7. **Modification of Number of Subscription Rights.** Under certain circumstances, the number of Subscription Rights that are allocated to a particular Eligible Holder may increase or decrease. The Debtors will provide prompt notice of any reallocation to impacted Eligible Holders. To the extent that a reallocation increases the total number of Notes that you may elect to purchase, the Debtors will send you a supplemental Subscription Form that sets forth the additional number of Notes that you may elect to purchase.

8. **Subsequent Rights Offering Expiration Date.** If you receive a supplemental Subscription Form with respect to additional Subscription Rights (as described immediately above), you will have additional time to exercise those additional Subscription Rights. The deadline by which you must (i) deliver the completed supplemental Subscription Form to Epiq and (ii) pay or arrange for payment of the Subscription Purchase Price with respect to the additional Notes you are electing to purchase to the Escrow Agent is [●], 2010.

9. **Unsubscribed Notes.** Any Notes that are not subscribed for by Eligible Holders by the Rights Offering Expiration Date (or the Subsequent Rights Offering Expiration Date, if applicable) will be deemed to be "Unsubscribed Notes". To ensure that the Rights Offering raises the full amount of capital required by the Company, a group of the Company's bondholders (collectively, the "**Backstop Investors**") has agreed to purchase any such Unsubscribed Notes at the Subscription Purchase Price in accordance with the terms of the Backstop Commitment Agreement.

10. **Transfer Restriction/Revocation.** Subscription Rights are not independently transferable from an Eligible Holder's Claims. The Subscription Form includes a certification that each Eligible Holder (a) understands that the Subscription Rights are not transferable separately from such Eligible Holder's prepetition Claim with respect to which Subscription Rights have been granted and (b) has not entered into and agreed that, prior to the Effective Date of the U.S. Plan and the Implementation Date of the CCAA Plan, it shall not enter into any transaction involving a direct or indirect transfer of Subscription Rights in which any other person receives a Subscription Right (except as permitted by clause (a) above). This certification must be completed by each Eligible Holder in order for such holder's exercise of the Subscription Rights to be valid. Once Subscription Rights have been validly and timely exercised, such Subscription Rights may not be revoked and such exercise will be binding on any transferee of Claims.

11. **Distribution of Notes Under Rights Offering.** On or as soon as reasonably practicable after the Effective Date of the U.S. Plan and the Implementation Date of the CCAA Plan, whichever is later in time, the Reorganized Company will issue the Notes in accordance with

the terms of the Plans to those Eligible Holders who have validly and timely exercised their Subscription Rights and submitted the appropriate Subscription Purchase Price.

12. **Return of Payment.** Under certain circumstances, it may be necessary to return to an Eligible Holder some or all of its Subscription Purchase Price, including if the Rights Offering is not consummated, if an Eligible Holder's Claim is decreased after the Eligible Holder submits its Subscription Purchase Price, and if the Subscription Form and/or the wire payment of the Subscription Purchase Price are not properly completed and timely submitted. Unless otherwise agreed by the Eligible Holder, the Company will return such payments, if necessary, without interest, as soon as reasonably practicable following the Subsequent Rights Offering Expiration Time.

13. **Questions regarding the Exercise of Subscription Rights.** Any questions regarding the timeliness, viability, form and eligibility of any exercise of Subscription Rights shall be determined by the Debtors, in consultation with the Creditors Committee and the Monitor. The Debtors, in consultation with the Creditors Committee and the Monitor, may waive any defect or irregularity, or permit a defect or irregularity to be corrected, or reject the purported exercise of Subscription Rights, as it may determine.

14. **Modification of Procedures.** The Debtors reserve the right to modify or adopt additional procedures to effectuate the Rights Offering, to distribute the Notes to Eligible Holders, and to comply with the terms and conditions of the Backstop Commitment Agreement. In so doing, the Debtors may execute and enter into agreements and take further action that the Debtors determine, in consultation with the Creditors Committee and the Monitor, are necessary and appropriate to effect and implement the Rights Offering and the distribution of the Notes to Eligible Holders.

**Inquiries.** Any party in interest wishing to obtain (i) information about the Rights Offering procedures; (ii) copies of the Disclosure Statement or the U.S. Plan; (iii) (ii) copies of the Information Circular or the CCAA Plan, should telephone Epiq at 1-888-266-9280 (for U.S. / Canada calls) or (503) 597-7694 (for non-U.S. / Canada calls). Parties may also view such documents by accessing the Bankruptcy Court's Electronic Case Filing System which can be found at [www.deb.uscourts.gov](http://www.deb.uscourts.gov), the official website for the Bankruptcy Court, or the Debtors' restructuring website at <http://dm.epiq11.com/abitibowater>. [ADD CANADIAN CONTACTS]

## EXHIBIT K-1

|                                           |   |                         |
|-------------------------------------------|---|-------------------------|
| In re:                                    | ) | Chapter 11              |
|                                           | ) |                         |
| ABITIBIBOWATER INC., et al., <sup>1</sup> | ) | Case No. 09-11296 (KJC) |
|                                           | ) |                         |
|                                           | ) | (Jointly Administered)  |

**All Subscription Forms<sup>2</sup> must be received by Epiq no later than 4:00 p.m., Eastern Time on August 27, 2010 (the "Rights Offering Expiration Date")**

On [REDACTED], 2010, AbitibiBowater Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a "**Debtor**" and collectively, the "**Debtors**"), filed AbitibiBowater's *First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**U.S. Plan**"). Also on that date, certain Debtors and their affiliates (collectively, the "**CCAA**

<sup>2</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Plans or the Voting Procedures Order ~~for Canadian version of order?~~.

**Debtors**") filed AbitibiBowater's *Plan of Reorganization and Compromise of AbitibiBowater Inc. and Certain of its Subsidiaries* (the "**CCAA Plan**" and, together with the U.S. Plan, the "**Plans**"). The Plans provide holders of Class 6 Claims in the U.S. Plan and holders of Affected Unsecured Claims in the CCAA Plan with the right to subscribe for Convertible Unsecured Subordinated Notes based on each holder's Rights Participation Claim Amount (as described in Item 1 of the Subscription Form). For a complete description of the Rights Offering see the disclosure statement approved by the U.S. Bankruptcy Court with respect to the U.S. Plan or the information circular approved by the Canadian Court with respect to the CCAA Plan, as applicable, and the backstop commitment agreement attached thereto, each of which can be obtained from Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, 3<sup>rd</sup> Floor, New York, NY 10017 or at <http://dm.epiq11.com/abitibibowater>, or from the Monitor at \_\_\_\_\_.

You have received the attached Subscription Form because you have been identified as a holder of a Class 6 Claim in the U.S. Plan or a holder of an Affected Unsecured Claim in the CCAA Plan that is eligible to participate in the Rights Offering. If you would like to participate in the Rights Offering, please follow the instructions provided below to (i) complete and submit the attached Subscription Form to Epiq Bankruptcy Solutions, LLC and (ii) pay the Subscription Purchase Price by wire transfer to the Escrow Agent, so that each is actually received on or before the Rights Offering Expiration Date.

**Questions.** If you have any questions about the Subscription Form or the exercise procedures described herein, please contact Epiq Bankruptcy Solutions, LLC at 1-888-266-9280 (for U.S. / Canada calls) or (503)-597-7698 (for non-U.S. / Canada calls).

**To purchase Convertible Unsecured Subordinated Notes pursuant to the Rights Offering:**

1. Review the amount in Item 1 below
2. Review the calculation of your "Maximum Number of Convertible Unsecured Subordinated Notes" in Item 2a below.
3. Complete Item 2b, indicating the whole number of Subscription Rights (not greater than your Maximum Number of Convertible Unsecured Subordinated Notes) which you wish to exercise and the total Subscription Purchase Price for such notes.
4. Read and Complete the certifications in Item 3 and provide your fax number and email address in the spaces provided.
5. Mail the Subscription Form in the pre-addressed envelope so that it is received by Epiq on or before the Rights Offering Expiration Date at the address below. Do not fax Subscription Forms. Call Epiq Bankruptcy Solutions, LLC, at 1-888-266-9280 (for U.S. / Canada calls) or (503)-597-7698 (for non-U.S. / Canada calls) if you would like to confirm receipt of payment.

Epiq Bankruptcy Solutions, LLC  
757 Third Avenue, 3<sup>rd</sup> Floor  
New York, New York 10017

6. Pay or Arrange to Pay the Subscription Purchase Price for the Subscription Rights that you wish to exercise. Payment can be made only by wire transfer in U.S. dollars to the account listed below. Your payment of the Subscription Purchase Price must be received by the Escrow Agent on or before the Rights Offering Expiration Date. Your wire transfer must include the Claim Reference Number listed on the Subscription Form. Failure to include this Claim Reference Number will result in cancellation of your Subscription Rights.

[Account Information]

**If your completed Subscription Form is not received by Epiq and your total Subscription Purchase Price is not received by the Escrow Agent, in each case, on or before the Rights Offering Expiration Date, your Subscription Rights will terminate and be cancelled.**

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined by the Debtors, whose good faith determinations will be final and binding. The Debtors may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such times as the Debtors determine, or reject the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or corrected within such time as the Debtors determine in their reasonable discretion. Neither the Debtors nor Epiq will be under any duty to give notification of any fact or irregularity in connection with the submission of Subscription Forms or incur any liability for failure to give such notification.

*Before exercising any Subscription Rights: holders of Class 6 Claims under the U.S. Plan should read the Disclosure Statement, including the sections entitled "Risks Related to the Rights Offering" and "Tax Consequences", and the valuation of the Reorganized Debtors contained therein; and holders of Affected Unsecured Claims under the CCAA Plan should read the Information Circular, including the sections entitled \_\_\_\_\_.*

### Summary of Convertible Unsecured Subordinated Notes

The following is a summary of certain key terms of the Convertible Unsecured Subordinated Notes available for purchase through the Rights Offering. Further details regarding the Convertible Unsecured Subordinated Notes are set forth in the Backstop Commitment Agreement, which is attached as an exhibit to the Disclosure Statement and the Information Circular.

- 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**").
- Form of Offering:** The Debtors will issue rights to purchase new notes (the "**New Notes**") of the Company (the "**Rights**") to Eligible Holders of Eligible Claims against the Debtors in connection with the Plans (the "**Rights Offering**"). The Rights Offering terms are described in the Backstop Commitment Agreement.
- 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 below) 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. Available Cash and Liquidity shall have the meaning set forth in the Backstop Commitment Agreement.
- Purchase Price:** 100% of the principal amount.
- 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.

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Coupon:</b>                | <p>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.</p> <p>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 ("<b>PIK Notes</b>"), 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.</p>                                                                                                                                     |
| <b>Use of Proceeds:</b>       | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Closing Date:</b>          | 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 this New Notes Term Sheet (the " <b>Closing</b> "), which date shall be the later to occur 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).                                                                                                                                                                                                                             |
| <b>Investors:</b>             | <p>The Company shall offer New Notes to the Eligible Holders (such New Notes being collectively referred to as the "<b>§1145 Notes</b>"), with each of the Eligible Holders entitled to purchase up to its pro rata share of the New Notes (such purchasing Eligible Holders, collectively, the "<b>New Notes Investors</b>") on the terms set forth in the Backstop Commitment Agreement.</p> <p>The Investors shall enter into agreement(s) to subscribe, in accordance with Schedule 1(h) to the Backstop Commitment Agreement, for any portion of the New Notes not subscribed for by the Eligible Holders (the "<b>Backstop Notes</b>"). As consideration for their commitment to subscribe for such Backstop Notes, the Investors shall be entitled to receive the payments as set forth in, and in accordance with the terms of, the Backstop Commitment Agreement.</p> |
| <b>Exemptions / Transfer:</b> | The issuance of Rights to the creditors and the exercise of the Rights are intended to be exempt from registration under the Securities Act of 1933 (the " <b>Securities Act</b> ") 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.

After the consummation of the Rights Offering, subject to applicable securities laws, the New Notes Investors and their respective permitted transferees shall have the right to transfer freely the §1145 Notes or the Common Shares received upon conversion of the §1145 Notes at any time.

The issuance of Backstop Notes to the Investors pursuant to the Backstop Commitment Agreement is intended to be exempt from Securities Act registration under Section 4(2) of the Securities Act and exempt from any prospectus requirement under Canadian securities laws. After consummation of the Rights Offering, the Backstop Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act or any applicable state laws or pursuant to a registration statement.

**Denomination:** New Notes shall be issued in a minimum denomination of US\$1.00 per New Note (and integral multiples thereof).

**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) 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, the issuance of which would be anti-dilutive as of the Effective Date.

**Maturity Date:** The New Notes will mature seven (7) years from the date of Closing (the "**Issue Date**").

**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:** The New Notes will be convertible at the option of the holder (i) in the event of a redemption at the option of the Company, and otherwise, (ii) after the 6-month period following the Issue Date, and in each case, prior to the close of business on the earlier of the Maturity Date and the last business day immediately preceding any date fixed for redemption, into a number of Common Shares based on the Conversion Price, as adjusted from time to time. Holders of the Backstop Notes will receive restricted Common Shares under U.S. securities laws upon conversion of the Backstop Notes and will not be able to convert unless they are eligible to receive the Common Shares in accordance with applicable law.

Upon conversion, holders of New Notes will receive a separate payment for accrued and unpaid interest to, but excluding, the date of conversion, except as described below.

If New Notes are converted after a regular record date for the payment of interest, holders of record of such New Notes will receive all of the interest payable on such New Notes on the corresponding interest payment date notwithstanding the conversion. New Notes, upon surrender for conversion during the period beginning after any record date to the immediately following interest payment date, must be accompanied by funds equal to the amount of interest that would accrue from the date of conversion to, but excluding, the interest payment date, unless (i) such New Notes have been called for redemption by the Company or (ii) such interest payment date is the maturity date of the New Notes.

**Conversion Adjustments:** The indenture will provide for the adjustment of the Conversion Price in certain events including, without limitation,

- (i) the subdivision or consolidation of the outstanding Common Shares;
- (ii) the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or other distribution;
- (iii) the issue of rights, options or warrants with an exercise period of less than 60 days to all of the holders of Common Shares entitling them to acquire Common Shares or other securities

convertible into Common Shares at less than 95% of the then market price;

- (iv) the distribution to all holders of Common Shares of any other securities or assets (including through a spin-off);
- (v) the payment to all holders of Common Shares in respect of an issuer tender offer or exchange offer for Common Shares by the Company to the extent that the market value of the payment exceeds the then market price of the Common Shares on the date of expiry of the bid; and
- (vi) the payment of cash dividends that exceed ordinary-course periodic dividends on the Common Shares.

**Redemption:**

**Mandatory:** In the event of an Asset Sale (to be defined) with more than \$100 million of net cash proceeds from such Asset Sale, occurring within six months after the Issue Date, the Company shall apply the net cash proceeds from such Asset Sale to redeem New Notes at a price equal to 105% of the par value of the New Notes, plus accrued and unpaid interest to the redemption date; provided that (i) in the case of each such Asset Sale, the Company has minimum Liquidity, after giving effect to such Asset Sale and application of the net cash proceeds thereof, of at least \$600 million, and (ii) the Company is permitted to make such redemption by the agreements governing its outstanding indebtedness, which the Company will use commercially reasonable efforts to permit such redemption, subject to compliance with the foregoing liquidity requirement.

**Optional:** During the period commencing on the 61<sup>st</sup> day following the Issue Date and ending on the first interest payment date, if US\$100 million or less of the New Notes are outstanding, the Company may, from time to time, optionally redeem such New Notes at a price of 105% of the par value of the New Notes, plus accrued and unpaid interest to the redemption date. Otherwise, three-year non-call, callable at the greater of Market and 110% of par in year 4, 112% of par in year 5, 115% of par in year 6 and par thereafter, in each case, plus accrued and unpaid interest to the redemption date.

**"Market"** means a value to be determined by the Board, which will retain a nationally recognized investment bank to make a reasonable determination of market value, which will assume, among other factors, a 35% volatility and a market price for the Common Share based on the trailing 20-day VWAP on the Primary Trading Market immediately prior to the date of the notice of the call.

**Fundamental  
Change:**

Upon a Fundamental Change (as defined below), holders of the New Notes will have the right to require the Company to repurchase their New Notes, in whole or in part, at a price equal to the accreted value of

the principal amount of the New Notes based on the original issue price (less the Upfront Payment) plus accrued and unpaid interest thereon to such repurchase date.

A "**Fundamental Change**" shall mean the occurrence of any of the following: (i) the acquisition of 50% or more of the Common Shares by any person or group, (ii) a merger, sale of all or substantially all of the Company's assets, share exchange or recapitalization the result of which less than 50% of common equity of the continuing entity is held by holders of the common equity of the Company immediately prior to such transaction, (iii) a majority of directors cease to be "continuing directors" as customarily defined, (iv) stockholders of the Company approve a plan of liquidation or dissolution of the Company, or (v) after the Common Shares are listed, they cease to be listed, provided, however, a Fundamental Change under clause (i) or (ii) shall not be deemed to have occurred if at least 90% of the consideration received or to be received by holders of Common Shares, excluding cash payments for fractional shares, in connection with the transaction or transactions constituting the Fundamental Change consists of shares of common stock, American Depositary Receipts, American Depositary Shares (or other similar instruments) traded on a national securities exchange in the United States or Canada or which will be so traded or quoted when issued or exchanged in connection with a Fundamental Change (these securities being referred to as "**Publicly Traded Securities**") and as a result of this transaction or transactions the debentures become convertible into such Publicly Traded Securities, excluding cash payments for fractional shares.

**Covenants;  
Events of Default:**

Will contain a customary SEC and SEDAR 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:**

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.

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.

**Documentation  
and Listing:**

The terms of the indenture, the form of New Notes, and other applicable documentation related to the New Notes are to be proposed by and in form and substance reasonably satisfactory to the Company and the Investors.

Company will make an application to list the Common Shares to be issued pursuant to the Plans and upon conversion or otherwise on (i) either the NASDAQ or the NYSE and (ii) the TSX.

**Choice of Law:**

New York

## SUBSCRIPTION FORM FOR RIGHTS OFFERING

Please consult the Disclosure Statement or the Information Circular, and the Voting Procedures Order for additional information with respect to this Subscription Form.

THE RIGHTS OFFERING EXPIRATION DATE IS 4:00 P.M., EASTERN TIME ON AUGUST 27, 2010, UNLESS EXTENDED BY THE DEBTORS.

Please provide your email address and fax number in Item 3 to ensure you receive any notices regarding your Subscription Rights in a timely manner.

**Item 1. Rights Participation Claim Amount.** Pursuant to the Plans, you are entitled to participate in the Rights Offering to the extent of your "**Rights Participation Claim Amount**". Your Rights Participation Claim Amount is the amount of your Class 6 Claim in the U.S. Plan or Affected Unsecured Claim in the CCAA Plan that is allowed for voting purposes. Specifically, for purposes of this Subscription Form, your Rights Participation Claim Amount is:

US\$ \_\_\_\_\_  
CAN\$ \_\_\_\_\_

Please refer to paragraph ● of the voting instructions set forth in the Ballot for instructions with regard to the procedures for challenging the allowance of your Class 6 Claim for voting purposes and your Rights Participation Claim Amount. [CANADA?]

### Item 2.

#### 2a. Calculation of Maximum Number of Convertible Unsecured Subordinated Notes.<sup>3</sup>

Review the calculation of the maximum number of Convertible Unsecured Subordinated Notes for which you may subscribe set forth below:

$$\begin{array}{l} \text{_____} \\ \text{Rights Participation Claim} \\ \text{Amount (in U.S. dollars, from} \\ \text{Item 1 above)} \end{array} \times [ \quad ] = \begin{array}{l} \text{_____} \\ \text{Maximum Number of Convertible} \\ \text{Unsecured Subordinated Notes} \\ \text{(round down to nearest whole number)} \end{array}$$

<sup>3</sup> To be completed as of the Record Date.

**2b. Exercise Amount.** By completing the following section, you are agreeing to purchase the number of Convertible Unsecured Subordinated Notes specified below (specify a whole number of Convertible Unsecured Subordinated Notes not greater than the figure in Item 2a), at a price of US\$1.00 per note, on the terms of and subject to the conditions set forth in the Plans and the Backstop Commitment Agreement.

|                                                                                           |   |          |   |                                   |
|-------------------------------------------------------------------------------------------|---|----------|---|-----------------------------------|
| _____                                                                                     | X | US\$1.00 | = | \$ _____                          |
| (Indicate number of Convertible<br>Unsecured Subordinated Notes you<br>elect to purchase) |   |          |   | Total Subscription Purchase Price |

**A notice will be sent to you setting forth the number of Convertible Unsecured Subordinated Notes you have validly elected to purchase as soon as possible after [September \_\_, 2010].**

Modification of Number of Subscription Rights. Under certain circumstances, the number of Subscription Rights you have been allocated may increase or decrease. The Debtors will provide notice of any reallocation to impacted Eligible Holders. To the extent that a reallocation increases the total number of Notes that you may elect to purchase, the Debtors will send you a supplemental Subscription Form that sets forth the additional number of Notes that you may elect to purchase. If it is necessary to return some or all of the Subscription Purchase Price that you have submitted because the number of Subscription Rights you have been allocated has been decreased, the Debtors will return such payments, if necessary, without interest, as soon as reasonably practicable after such a determination is made.

### **Item 3. Certifications.**

By returning the Subscription Form, I certify that (A) I am the Eligible Holder, or the authorized signatory of an Eligible Holder, of the Claim identified in Item 1 as of the Subscription Rights Record Date; (B) I agree, or such Eligible Holder agrees, to be bound by all the terms and conditions described in the instructions and as set forth in this Subscription Form; (C) I have, or such Eligible Holder has, received a copy of the Disclosure Statement (including the exhibits thereto) or the Information Circular (including the exhibits thereto) and understand that the exercise of Subscription Rights pursuant to the Rights Offering is subject to all the terms and conditions set forth in the therein and in the Plans. This certification is not an admission by me, the Eligible Holder, or the Debtors, the CCAA Debtors or their estates as to the ultimate allowed amount of my claim.

By returning this Subscription Form, I further certify that I hereby authorize the Voting Nominee to provide certain information, including, but not limited to, my domicile to the Debtors or Epiq.

By returning this Subscription Form, I further certify that I recognize and understand that the rights to subscribe for Convertible Unsecured Subordinated Notes are not transferable separately from the claim with respect to which rights have been granted (a "**Rights Claim**").

By returning this Subscription Form, I represent and warrant that I have not entered into and agree that, prior to the Effective Date of the U.S. Plan and the Implementation Date of the CCAA Plan, I will not enter into any transaction involving a direct or indirect transfer of rights,

including (i) derivatives, options, swaps, pledges, forward sales or other transactions in which any person receives the right to own or acquire a right, a Rights Claim or a Convertible Unsecured Subordinated Note; any current or future interest in any such right, Rights Claim or a Convertible Unsecured Subordinated Note or the right to receive any economic benefit in respect of any such right, Rights Claim or a Convertible Unsecured Subordinated Note other than through a sale of a Rights Claim together with the rights related thereto and (ii) any direct or indirect transfer of a Rights Claim, whether through a direct transfer or through a derivative, option, swap, pledge, forward sale or other transaction, in which the transferor would retain (or, in connection with such transfer, repurchase or agree to repurchase), directly or indirectly, any related rights, Convertible Unsecured Subordinated Notes or otherwise have the right, directly or indirectly, to acquire or own any current or future interest in any related rights, Convertible Unsecured Subordinated Notes or economic benefit in respect of any related rights. For avoidance of doubt, if a transferor who held a Rights Claim as of the record date for the Rights Offering has transferred such Rights Claim together with the rights related thereto, such transferor shall not be in violation of the foregoing so long as, immediately following the Effective Date of the U.S. Plan and the Implementation Date of the CCAA Plan, it transfers to the transferee of such Rights Claim (i) any and all Convertible Unsecured Subordinated Notes issued in respect of any such validly exercised rights and (ii) any and all shares issued in respect of such Rights Claim.

Date: \_\_\_\_\_, 2010

Name of Holder: \_\_\_\_\_  
(Print or Type)

Social Security or Federal Tax I.D. No.: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Person Signing: \_\_\_\_\_  
(If other than holder)

Title (if corporation, partnership or LLC): \_\_\_\_\_

**Facsimile Number<sup>4</sup>:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

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<sup>4</sup> To ensure receipt of the notice regarding the Subscription Rights you are eligible to purchase, please provide your fax number and email address.

PLEASE NOTE: NO EXERCISE OF SUBSCRIPTION RIGHTS WILL BE VALID UNLESS (1) EPIQ ACTUALLY RECEIVES A PROPERLY COMPLETED AND SIGNED SUBSCRIPTION FORM AND (2) THE ESCROW AGENT ACTUALLY RECEIVES FULL PAYMENT OF THE SUBSCRIPTION PURCHASE PRICE FOR THE SUBSCRIPTION RIGHTS YOU ARE CHOOSING TO EXERCISE, IN EACH CASE, ON OR BEFORE 4:00 P.M. EASTERN TIME, ON AUGUST 27, 2010.

**EXHIBIT K-2**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

|                                           |   |                         |
|-------------------------------------------|---|-------------------------|
| In re:                                    | ) | Chapter 11              |
|                                           | ) |                         |
|                                           | ) | Case No. 09-11296 (KJC) |
| ABITIBIBOWATER INC., et al., <sup>1</sup> | ) |                         |
|                                           | ) | (Jointly Administered)  |

**INSTRUCTIONS TO RIGHTS OFFERING SUBSCRIPTION FORM FOR  
ELIGIBLE BENEFICIAL HOLDERS OF SECURITIES THROUGH VOTING NOMINEES**

On [                      ], 2010, AbitibiBowater Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a "**Debtor**" and collectively, the "**Debtors**"), filed AbitibiBowater's *First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**U.S. Plan**"). Also on that date, certain Debtors and their affiliates (collectively, the "**CCAA Debtors**") filed AbitibiBowater's *Plan of Reorganization and Compromise of AbitibiBowater Inc. and Certain of its Subsidiaries* (the "**CCAA Plan**" and, together with the U.S. Plan, the "**Plans**"). The Plans provide holders of Class 6 Claims in the U.S. Plan and holders of Affected Unsecured Claims in the CCAA Plan with the right to subscribe for Convertible Unsecured Subordinated Notes based on each holder's Rights Participation Claim Amount (as described in Item 1 of the Subscription Form). For a complete description of the Rights Offering see the disclosure statement approved by the U.S. Bankruptcy Court with respect to the U.S. Plan or the information circular approved by the Canadian Court with respect to the CCAA Plan, as applicable, and the backstop commitment agreement attached thereto, each of which can be

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the "**SPV Debtors**") commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors' and SPV Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

obtained from Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, 3<sup>rd</sup> Floor, New York, NY 10017 or at <http://dm.epiq11.com/abitibibowater>, or from the Monitor at \_\_\_\_\_.

You have received the attached Subscription Form<sup>2</sup> because you have been identified as the Beneficial Holder of record of Class 6 Claims in the U.S. Plan or Affected Unsecured Claims in the CCAA Plan as of July 1, 2010 held for your account by a bank, broker or other nominee (each of the foregoing, a "**Voting Nominee**") that is eligible to participate in the Rights Offering.

To participate in the Rights Offering, you must (i) complete and return the attached Subscription Form to your Voting Nominee in sufficient time for your instructions to be processed and delivered to The Depository Trust Company ("**DTC**") or Clearing and Depository Services ("**CDS**") and (ii) pay the Subscription Purchase Price with respect to the notes you are electing to purchase, so that in each case, the Subscription Form is actually received by Epiq and the Subscription Purchase Price is actually received by the Escrow Agent on or before 4:00 p.m. on August 27, 2010 (the "**Rights Offering Expiration Date**").

**Questions.** If you have any questions about this Subscription Form or the subscription procedures described herein, please contact Epiq Bankruptcy Solutions LLC, at 1-888-266-9280 (for U.S. / Canada calls) or (503) 597-7698 (for non-U.S. / Canada calls).

**If the subscription and payment submitted by you or on your behalf is not received in sufficient time for the Voting Nominee to convey your subscription through DTC's Automated Subscription Offer Program ("ASOP"), or, if applicable, in accordance with the rules and procedures of CDS, by the Rights Offering Expiration Date, your Subscription Rights will terminate and be cancelled.**

To subscribe for Convertible Unsecured Subordinated Notes pursuant to the Rights Offering:

1. Review the principal amount in Item 1.
2. Review the calculation of your "Maximum Number of Convertible Unsecured Subordinated Notes" in Item 2a.
3. Complete Item 2b by indicating the whole number of Convertible Unsecured Subordinated Notes (not greater than your Maximum Number of Convertible Unsecured Subordinated Notes) for which you wish to subscribe and the total Subscription Purchase Price with respect to such notes.
4. Read and Complete the certification in Item 3.
5. Return the Subscription Form to your Voting Nominee (or otherwise follow your Voting Nominee's instructions with respect to submitting instructions to them) in sufficient time for the Voting Nominee, on or before the Rights Offering Expiration Date, to convey your subscription through DTC's ASOP or CDS system.

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<sup>2</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Plans or the Voting Procedures Order

6. Pay or Arrange for Payment of the Subscription Purchase Price through DTC or CDS, or by wire transfer in U.S. dollars to the Escrow Agent, so that such payment is actually received by the Escrow Agent from you or from the Voting Nominee on or before the Rights Offering Expiration Date.

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined by the Debtors, whose good faith determinations will be final and binding. The Debtors may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such times as the Debtors determine, or reject the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or corrected within such time as the Debtors determine in their reasonable discretion. Neither the Debtors nor Epiq will be under any duty to give notification of any fact or irregularity in connection with the submission of Subscription Forms or incur any liability for failure to give such notification.

*Before exercising any Subscription Rights: holders of Class 6 Claims under the U.S. Plan should read the Disclosure Statement, including the sections entitled "Risks Related To The Rights Offering" and "Tax Consequences", and the valuation of the Reorganized Debtors contained therein; and holders of Affected Unsecured Claims under the CCAA Plan should read the Information Circular, including the sections entitled \_\_\_\_\_.*

### Summary of Convertible Unsecured Subordinated Notes

The following is a summary of certain key terms of the Convertible Unsecured Subordinated Notes available for purchase through the Rights Offering. Further details regarding the Convertible Unsecured Subordinated Notes are set forth in the Backstop Commitment Agreement, which is attached as an exhibit to the Disclosure Statement and the Information Circular.

**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**").

**Form of Offering:** The Debtors will issue rights to purchase new notes (the "**New Notes**") of the Company (the "**Rights**") to Eligible Holders of Eligible Claims against the Debtors in connection with the Plans (the "**Rights Offering**"). The Rights Offering terms are described in the Backstop Commitment Agreement.

**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 below) 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. Available Cash and Liquidity shall have the meaning set forth in the Backstop Commitment Agreement.

**Purchase Price:** 100% of the principal amount.

**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.

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Coupon:</b>                | <p>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.</p> <p>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 ("<b>PIK Notes</b>"), 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.</p>                                                                                                                               |
| <b>Use of Proceeds:</b>       | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Closing Date:</b>          | <p>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 this New Notes Term Sheet (the "<b>Closing</b>"), which date shall be the later to occur 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).</p>                                                                                                                                                                                                                  |
| <b>Investors:</b>             | <p>The Company shall offer New Notes to the Eligible Holders (such New Notes being collectively referred to as the "\$1145 Notes"), with each of the Eligible Holders entitled to purchase up to its pro rata share of the New Notes (such purchasing Eligible Holders, collectively, the "<b>New Notes Investors</b>") on the terms set forth in the Backstop Commitment Agreement.</p> <p>The Investors shall enter into agreement(s) to subscribe, in accordance with Schedule 1(h) to the Backstop Commitment Agreement, for any portion of the New Notes not subscribed for by the Eligible Holders (the "<b>Backstop Notes</b>"). As consideration for their commitment to subscribe for such Backstop Notes, the Investors shall be entitled to receive the payments as set forth in, and in accordance with the terms of, the Backstop Commitment Agreement.</p> |
| <b>Exemptions / Transfer:</b> | <p>The issuance of Rights to the creditors and the exercise of the Rights are intended to be exempt from registration under the Securities Act of 1933 (the "<b>Securities Act</b>") pursuant to Section 1145 of the Bankruptcy Code and exempt from any prospectus requirement under corresponding Canadian securities laws exemptions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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.

After the consummation of the Rights Offering, subject to applicable securities laws, the New Notes Investors and their respective permitted transferees shall have the right to transfer freely the \$1145 Notes or the Common Shares received upon conversion of the \$1145 Notes at any time.

The issuance of Backstop Notes to the Investors pursuant to the Backstop Commitment Agreement is intended to be exempt from Securities Act registration under Section 4(2) of the Securities Act and exempt from any prospectus requirement under Canadian securities laws. After consummation of the Rights Offering, the Backstop Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act or any applicable state laws or pursuant to a registration statement.

**Denomination:** New Notes shall be issued in a minimum denomination of US\$1.00 per New Note (and integral multiples thereof).

**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) 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, the issuance of which would be anti-dilutive as of the Effective Date.

**Maturity Date:** The New Notes will mature seven (7) years from the date of Closing (the "**Issue Date**").

**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:** The New Notes will be convertible at the option of the holder (i) in the event of a redemption at the option of the Company, and otherwise, (ii) after the 6-month period following the Issue Date, and in each case, prior to the close of business on the earlier of the Maturity Date and the last business day immediately preceding any date fixed for redemption, into a number of Common Shares based on the Conversion Price, as adjusted from time to time. Holders of the Backstop Notes will receive restricted Common Shares under U.S. securities laws upon conversion of the Backstop Notes and will not be able to convert unless they are eligible to receive the Common Shares in accordance with applicable law.

Upon conversion, holders of New Notes will receive a separate payment for accrued and unpaid interest to, but excluding, the date of conversion, except as described below.

If New Notes are converted after a regular record date for the payment of interest, holders of record of such New Notes will receive all of the interest payable on such New Notes on the corresponding interest payment date notwithstanding the conversion. New Notes, upon surrender for conversion during the period beginning after any record date to the immediately following interest payment date, must be accompanied by funds equal to the amount of interest that would accrue from the date of conversion to, but excluding, the interest payment date, unless (i) such New Notes have been called for redemption by the Company or (ii) such interest payment date is the maturity date of the New Notes.

**Conversion Adjustments:** The indenture will provide for the adjustment of the Conversion Price in certain events including, without limitation,

- (vii) the subdivision or consolidation of the outstanding Common Shares;
- (viii) the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or other distribution;
- (ix) the issue of rights, options or warrants with an exercise period of less than 60 days to all of the holders of Common Shares entitling them to acquire Common Shares or other securities

convertible into Common Shares at less than 95% of the then market price;

- (x) the distribution to all holders of Common Shares of any other securities or assets (including through a spin-off);
- (xi) the payment to all holders of Common Shares in respect of an issuer tender offer or exchange offer for Common Shares by the Company to the extent that the market value of the payment exceeds the then market price of the Common Shares on the date of expiry of the bid; and
- (xii) the payment of cash dividends that exceed ordinary-course periodic dividends on the Common Shares.

**Redemption:**

**Mandatory:** In the event of an Asset Sale (to be defined) with more than \$100 million of net cash proceeds from such Asset Sale, occurring within six months after the Issue Date, the Company shall apply the net cash proceeds from such Asset Sale to redeem New Notes at a price equal to 105% of the par value of the New Notes, plus accrued and unpaid interest to the redemption date; provided that (i) in the case of each such Asset Sale, the Company has minimum Liquidity, after giving effect to such Asset Sale and application of the net cash proceeds thereof, of at least \$600 million, and (ii) the Company is permitted to make such redemption by the agreements governing its outstanding indebtedness, which the Company will use commercially reasonable efforts to permit such redemption, subject to compliance with the foregoing liquidity requirement.

**Optional:** During the period commencing on the 61<sup>st</sup> day following the Issue Date and ending on the first interest payment date, if US\$100 million or less of the New Notes are outstanding, the Company may, from time to time, optionally redeem such New Notes at a price of 105% of the par value of the New Notes, plus accrued and unpaid interest to the redemption date. Otherwise, three-year non-call, callable at the greater of Market and 110% of par in year 4, 112% of par in year 5, 115% of par in year 6 and par thereafter, in each case, plus accrued and unpaid interest to the redemption date.

**"Market"** means a value to be determined by the Board, which will retain a nationally recognized investment bank to make a reasonable determination of market value, which will assume, among other factors, a 35% volatility and a market price for the Common Share based on the trailing 20-day VWAP on the Primary Trading Market immediately prior to the date of the notice of the call.

**Fundamental Change:**

Upon a Fundamental Change (as defined below), holders of the New Notes will have the right to require the Company to repurchase their New Notes, in whole or in part, at a price equal to the accreted value of

the principal amount of the New Notes based on the original issue price (less the Upfront Payment) plus accrued and unpaid interest thereon to such repurchase date.

A "**Fundamental Change**" shall mean the occurrence of any of the following: (i) the acquisition of 50% or more of the Common Shares by any person or group, (ii) a merger, sale of all or substantially all of the Company's assets, share exchange or recapitalization the result of which less than 50% of common equity of the continuing entity is held by holders of the common equity of the Company immediately prior to such transaction, (iii) a majority of directors cease to be "continuing directors" as customarily defined, (iv) stockholders of the Company approve a plan of liquidation or dissolution of the Company, or (v) after the Common Shares are listed, they cease to be listed, provided, however, a Fundamental Change under clause (i) or (ii) shall not be deemed to have occurred if at least 90% of the consideration received or to be received by holders of Common Shares, excluding cash payments for fractional shares, in connection with the transaction or transactions constituting the Fundamental Change consists of shares of common stock, American Depositary Receipts, American Depositary Shares (or other similar instruments) traded on a national securities exchange in the United States or Canada or which will be so traded or quoted when issued or exchanged in connection with a Fundamental Change (these securities being referred to as "**Publicly Traded Securities**") and as a result of this transaction or transactions the debentures become convertible into such Publicly Traded Securities, excluding cash payments for fractional shares.

**Covenants;  
Events of Default:**

Will contain a customary SEC and SEDAR 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:**

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.

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.

**Documentation  
and Listing:**

The terms of the indenture, the form of New Notes, and other applicable documentation related to the New Notes are to be proposed by and in form and substance reasonably satisfactory to the Company and the Investors.

Company will make an application to list the Common Shares to be issued pursuant to the Plans and upon conversion or otherwise on (i) either the NASDAQ or the NYSE and (ii) the TSX.

**Choice of Law:**

New York

## SUBSCRIPTION FORM FOR RIGHTS OFFERING

THE RIGHTS OFFERING EXPIRATION DATE IS 4:00 .M., EASTERN TIME  
ON AUGUST 27, 2010, UNLESS EXTENDED BY THE DEBTORS.

Please leave sufficient time for your Subscription Form  
to reach your Voting Nominee and be processed.

Please consult the Disclosure Statement or the Information Circular, and the Voting  
Procedures Order for additional information with respect to this Subscription Form.

**Item 1. Amount of Notes.** I certify that, as of the Subscription Rights Record Date of June 30, 2010, I held Notes in the following principal amount or that I am the authorized signatory of that beneficial holder. (If a Voting Nominee holds your Claims on your behalf and you do not know the amount, please contact your Voting Nominee immediately). For purposes of this Subscription Form, the principal amount is not adjusted for any accrued or unmatured interest or any accretion factor.

US\$ \_\_\_\_\_

CAN\$ \_\_\_\_\_

Please refer to paragraph ● of the voting instructions set forth in the Ballot for instructions with regard to the procedures for challenging the allowance of your Class 6 Claim for voting purposes and your Rights Participation Claim Amount. [CANADA?]

**Item 2. Subscription Rights.** Each Eligible Holder is entitled to participate in the Rights Offering for up to each Eligible Holder's Rights Offering Pro Rata Share of \$500 million of Convertible Unsecured Subordinated Notes. To subscribe, fill out Items 2b, 3 and 4 below.

**2a. Calculation of Maximum Number of Convertible Unsecured Subordinated Notes.** Review the following calculation of the Maximum Number of Convertible Unsecured Subordinated Notes for which you may subscribe:

|                                                                           |   |       |                                                                                                       |
|---------------------------------------------------------------------------|---|-------|-------------------------------------------------------------------------------------------------------|
| _____                                                                     | X | \$[ ] | _____                                                                                                 |
|                                                                           | = |       |                                                                                                       |
| Rights Participation Claim Amount<br>(in U.S. dollars, from Item 1 above) |   |       | Maximum Number of Convertible<br>Unsecured Subordinated Notes<br>(round down to nearest whole number) |

**2b. Subscription Amount.** By filling in the following blanks, you are agreeing to purchase the number of Convertible Unsecured Subordinated Notes specified below (specify a whole number not greater than the figure in Item 2a), at a price of US\$1.00 per note, on the terms of and subject to the conditions set forth in the Plans and the Backstop Commitment Agreement.

|                                                                                           |   |          |   |                                   |
|-------------------------------------------------------------------------------------------|---|----------|---|-----------------------------------|
| _____                                                                                     | X | US\$1.00 | = | US\$ _____                        |
| (Indicate number of Convertible<br>Unsecured Subordinated Notes you<br>elect to purchase) |   |          |   | Total Subscription Purchase Price |

A notice will be sent to you setting forth the number of Convertible Unsecured Subordinated Notes you have validly elected to purchase as soon as possible following [September \_\_\_, 2010].

Modification of Number of Subscription Rights. Under certain circumstances, the number of Subscription Rights you have been allocated may increase or decrease. The Debtors will provide notice of any reallocation to impacted Eligible Holders. To the extent that a reallocation increases the total number of Notes that you may elect to purchase, the Debtors will send you a supplemental Subscription Form that sets forth the additional number of Notes that you may elect to purchase. If it is necessary to return some or all of the Subscription Purchase Price that you have submitted because the number of Subscription Rights you have been allocated has been decreased, the Debtors will return such payments, if necessary, without interest, as soon as reasonably practicable after such a determination is made.

**Item 3. Subscription Certifications.** By returning the Subscription Form, I certify that (A) I am the Eligible Holder, or the authorized signatory of an Eligible Holder, of the Claim identified in Item 1 as of the Subscription Rights Record Date; (B) I agree, or such Eligible Holder agrees, to be bound by all the terms and conditions described in the instructions and as set forth in this Subscription Form; (C) I have, or such Eligible Holder has, received a copy of the Disclosure Statement (including the exhibits thereto) or the Information Circular (including the exhibits thereto) and understand that the exercise of Subscription Rights pursuant to the Rights Offering is subject to all the terms and conditions set forth in the Plans. This certification is not an admission by me, the Eligible Holder, or the Debtors or their estates as to the ultimate allowed amount of my claim. By electing to subscribe for the number of Convertible Unsecured Subordinated Notes designated above, I am hereby instructing my Voting Nominee, or agent or proxy holder, as applicable, to arrange for the proper payment either through DTC or CDS, or, if DTC or CDS is unable to act as intermediary for subscription instructions and payments, by following the payment instructions outlined in the instructions.

By returning this Subscription Form, I further certify that I hereby authorize the Voting Nominee to provide certain information, including, but not limited to, my domicile to the Debtors or Epiq.

By returning this Subscription Form, I further certify that I recognize and understand that the rights to subscribe for Convertible Unsecured Subordinated Notes are not transferable separately from the claim with respect to which rights have been granted (a "**Rights Claim**").

By returning this Subscription Form, I represent and warrant that I have not entered into and agree that, prior to the Effective Date of the U.S. Plan or the Implementation Date of the CCAA Plan, I will not enter into any transaction involving a direct or indirect transfer of rights, including (i) derivatives, options, swaps, pledges, forward sales or other transactions in which any Person receives the right to own or acquire a right, a Rights Claim or a Convertible Unsecured Subordinated Note; any current or future interest in any such right, Rights Claim or a Convertible Unsecured Subordinated Note or the right to receive any economic benefit in respect of any such right, Rights Claim or a Convertible Unsecured Subordinated Note other than through a sale of a Rights Claim together with the rights related thereto and (ii) any direct or indirect transfer of a Rights Claim, whether through a direct transfer or through a derivative,

option, swap, pledge, forward sale or other transaction, in which the transferor would retain (or, in connection with such transfer, repurchase or agree to repurchase), directly or indirectly, any related rights, Convertible Unsecured Subordinated Notes or otherwise have the right, directly or indirectly, to acquire or own any current or future interest in any related rights, Convertible Unsecured Subordinated Notes or economic benefit in respect of any related rights. For avoidance of doubt, if a transferor who held a Rights Claim as of the record date for the Rights Offering has transferred such Rights Claim together with the rights related thereto, such transferor shall not be in violation of the foregoing so long as, immediately following the Effective Date of the U.S. Plan or the Implementation Date of the CCAA Plan, it transfers to the transferee of such Rights Claim (i) any and all Convertible Unsecured Subordinated Notes issued in respect of any such validly exercised rights and (ii) any and all Class [ ] shares issued in respect of such Rights Claim.

**To exercise your Subscription Rights, you must (i) return this completed Subscription Form to your Voting Nominee (or otherwise follow your Voting Nominee's directions with respect to submitting subscription instructions to them) in sufficient time for the Voting Nominee, on or before the Rights Offering Expiration Date, to convey your subscription through DTC's ASOP or other procedure and (ii) arrange for the proper payment through DTC or CDS. (In the event payment cannot be made through DTC or CDS, Epiq will provide wire instructions to the Voting Nominees.) Failure for either the Subscription Form or the Subscription Purchase Price to be timely received by Epiq or the Escrow Agent, as applicable, will result in cancellation of your Subscription Rights.**

Date: \_\_\_\_\_

Subscriber Full Legal Account

Name: \_\_\_\_\_  
(Print or Type)

Signature: \_\_\_\_\_

Name of Person Signing: \_\_\_\_\_  
(If other than holder)

Title (if corporation, partnership or LLC): \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**THIS FORM SHOULD BE RETURNED ONLY TO YOUR VOTING NOMINEE.  
DO NOT RETURN TO EPIQ.**

**SCHEDULE "L"**  
**SHAREHOLDER NOTICE**

**NOTICE TO SHAREHOLDERS OF ABITIBIBOWATER INC.  
AND CERTAIN OF ITS SUBSIDIARIES**

Holders of common stock of the capital of AbitibiBowater Inc. (the "**Company**") are hereby notified that in connection with the Company's ongoing proceedings under the *Companies' Creditors Arrangement Act* (Canada), a meeting of the Company's creditors in respect of each Affected Unsecured Creditors Class will be held on August 26, 2010 at 10:00 am (Montréal time) at the Hilton Montreal Bonaventure, 900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada, to consider and, if deemed advisable, approve a proposed plan of reorganization and compromise.

**HOLDERS OF COMMON STOCK ARE ENTITLED NEITHER TO ATTEND NOR VOTE AT THE COMPANY'S CREDITORS' MEETING IN RESPECT OF EACH AFFECTED UNSECURED CREDITOR CLASS.**

Holders of common stock are further notified that the proposed plan of reorganization and compromise contemplates that, if such plan is approved and implemented, all issued and outstanding common stock of the Corporation will be cancelled and holders will receive no recoveries.

Montréal, Québec, Canada, ●, 2010

Jacques P. Vachon  
Senior Vice President, Corporate  
Affairs and Secretary

**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. *et al*

- and -  
Petitioners

ERNST & YOUNG INC.

Monitor

BS0350  
n/dos.: 041053-1170

EXHIBIT R-1

ORIGINAL

Me David Tournier  
(514) 397-3013  
Fax : (514) 397-3590

STIKEMAN ELLIOTT  
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