CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC.,

and

ABITIBI-CONSOLIDATED INC.,

and

BOWATER CANADIAN HOLDINGS INC.,

and

the other Petitioners listed herein

Petitioners

and

ERNST & YOUNG INC.,

Monitor

and

THE REGISTRY OF DEEDS FOR NEWFOUNDLAND AND LABRADOR

Mis-en-cause

MOTION FOR THE ISSUANCE OF AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE PETITIONERS
(HUNT RIVER ASSETS)
(Section 11 of the *Companies' Creditors Arrangement Act* ("CCAA"))

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT THE FOLLOWING:

A. PREAMBLE

1. On April 17, 2009, this Honourable Court issued an order (as amended and restated, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the

"**CCAA**") in respect of (i) Abitibi-Consolidated Inc. ("**ACI**") and subsidiaries thereof (collectively with ACI, the "**Abitibi Petitioners**")[1]; (ii) Bowater Canadian Holdings Inc. and subsidiaries and affiliates thereof (collectively, the "**Bowater Petitioners**")[2] and (iii) certain partnerships.[3]

2. Pursuant to the terms of the Initial Order, Ernst & Young Inc. (the "**Monitor**") was named monitor of the Abitibi Petitioners and Bowater Petitioners (collectively the "**Petitioners**").

3. Any undefined capitalized expressions used herein shall have the meaning set forth in the Initial Order and in the Purchase and Sale Agreement (as defined hereinafter).

B. ORDERS SOUGHT

4. The Petitioners hereby seek the issuance of the following orders (the "**Authorization and Vesting Order**") in connection with the sale of the Hunt River Assets (as defined hereinafter), a draft of which is communicated herewith as **Exhibit R-1**:

   (a) an order authorizing and approving the execution by Abitibi-Consolidated Company of Canada ("**ACCC**") and ACI of the *Purchase and Sale Agreement* (the "**Purchase and Sale Agreement**") by and between ACCC and ACI (together, the "**Vendors**"), as vendors, and 1512513 Alberta Ltd. (the "**Purchaser**"), as purchaser, an executed copy of which is communicated herewith as **Exhibit R-2**, and the completion of all transactions contemplated therein;

   (b) the issuance of a vesting order in connection with the transactions contemplated in the above-mentioned agreement; and

   (c) a number of orders typically requested along with the above-mentioned orders;

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[1] The Abitibi Petitioners are Abitibi-Consolidated Inc., Abitibi-Consolidated Company of Canada, 3224112 Nova Scotia Limited, Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated., 4042140 Canada Inc., Donohue Recycling Inc., 1508756 Ontario Inc., 3217925 Nova Scotia Company, La Tuque Forest Products Inc., Abitibi-Consolidated Nova Scotia Incorporated, Saguenay Forest Products Inc., Terra Nova Explorations Ltd., The Jonquière Pulp Company, The International Bridge and Terminal Company, Scramble Mining Ltd. and 9150-3383 Québec Inc. Abitibi-Consolidated (U.K.) Inc. was added to the schedule of Abitibi Petitioners on November 10, 2009.

[2] The Bowater Petitioners are Bowater Canadian Holdings Incorporated., Bowater Canada Finance Corporation, Bowater Canadian Limited, 3231378 Nova Scotia Company, AbitibiBowater Canada Inc., Bowater Canada Treasury Corporation, Bowater Canadian Forest Products Inc., Bowater Shelburne Corporation, Bowater LaHave Corporation, St. Maurice River Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc. and Bowater Couturier Inc.

[3] The partnerships are Bowater Canada Finance Limited Partnership, Bowater Pulp and Paper Canada Holdings Limited Partnership and Abitibi-Consolidated Finance LP.

the whole as set forth in the conclusions to this Motion.

5. The Purchase and Sale Agreement contemplates the sale of:

   (a) the Vendors' rights to a fishing camp located at Hunt River and Char Lake in the Province Newfoundland and Labrador (the "**Camps**") pursuant to certain leases, licences and permits, as more particularly set out in the Purchase and Sale Agreement (the "**Permits**");

   (b) various buildings, structures, wharves and fixtures situate at the Camps (the "**Real Property**"); and

   (c) certain Vendor-owned personal property located at the Camps, as more particularly set out in the Purchase and Sale Agreement (the "**Personal Property**") (the Permits, Real Property and Personal Property being collectively hereinafter referred to as the "**Hunt River Assets**").

C. BACKGROUND

6. The Hunt River Assets consist mainly of a fishing camp and a fishing lodge located at the Hunt River and Char Lake, in Labrador. The lodge and related facilities (floating dock, boathouse and cabins) are situated on lands leased from the government and operate under a tourism license.

7. The Hunt River Assets were used primarily for entertaining the Petitioners' clients, though they were also rented to third parties as a means of subsidizing the operation. The operating costs for the Hunt River Assets amount to approximately $480,000 per year.

8. In July 2009, the Petitioners enlisted the services of Sotheby's International to sell the Hunt River Assets. The assets were included on the Sotheby's online listing but no prospective purchaser manifested himself as a result of these efforts until the summer of 2010, as outlined below.

9. In August 2009, the Petitioners contacted the Nunatsiavut Government (a regional Inuit government within the Province of Newfoundland and Labrador) to inquire as to whether it wanted to acquire the Hunt River Assets. The Nunatsiavut Government holds a right of first refusal in respect of the Hunt River Assets pursuant to Chapter 12, Parts 12.10.1 to 12.10.6 of the Labrador Inuit Land Claim Agreement (in force by the *Labrador Inuit Lands Claim Agreement Act*, S.N.L. 2004, c. L-3.1, as amended and the *Labrador Inuit Land Claims Agreement Act*, S.C. 2005, c. 27, as amended) but it expressed no interest in acquiring the Hunt River Assets.

10. In the spring of 2010, the Petitioners received several offers from a prospective purchaser who was already familiar with the Hunt River Assets, ranging between $300,000 and $500,000. These offers were turned down by the Petitioners as they were deemed to be substantially lower than the value of the Hunt River Assets.

11. In the early summer of 2010, the Petitioners received several other offers to purchase

the Hunt River Assets:

- in early June 2010, a prospective purchaser who had learned of the sale directly from the Petitioners offered to purchase the assets for the sum of $1,000,000;

- on June 18, 2010, the Purchaser who had learned of the sale directly from the site manager of the Hunt River Assets made an offer to purchase same assets for the sum of $1,400,000 plus HST (the "**Offer**");

- a few days later, another prospective purchaser who had learned of the Hunt River Assets sale via the Sotheby's International listing expressed interest in the sale, but could not match let alone improve the price in the Purchaser's Offer.

12. On June 23, 2010, the Petitioners, in consultation with the Monitor, accepted the Purchaser's Offer.

13. It is expected that the transactions contemplated in the Purchase and Sale Agreement will close within three days of the issuance of this Court's issuance of the Authorization and Vesting Order sought herein.

D. GROUNDS FOR THIS MOTION

14. The Petitioners submit that the sale of the Hunt River Assets as contemplated in the Purchase and Sale Agreement is in the best interest of and will generally benefit all of their stakeholders, in that, *inter alia*:

    (a) the sale of the Hunt River Assets forms part of Petitioners' continuing objective and strategy to implement a restructuring plan, which will allow them (or any successor thereof) to be profitable over time. Such plan will include the following previously announced measures: (a) disposing of non-strategic assets, (b) reducing indebtedness, and (c) reducing financial costs;

    (b) the property of the Hunt River Assets is not vital for the Petitioners to successfully restructure their business;

    (c) the proposed transaction involving the Hunt River Assets is on attractive terms in the current market and will provide the Petitioners with additional liquidity;

    (d) the Petitioners' creditors will not suffer any prejudice as a result of the proposed sale of the Hunt River Assets and the issuance of the Authorization and Vesting Order since the proceeds of such transaction will be remitted to the Monitor in trust and shall stand in the place and stead of the Hunt River Assets. As a result, all liens, charges and encumbrances on the Hunt River Assets will attach to such proceeds with the same priority as they had with respect to the Hunt River Assets immediately prior to the sale; and

(e) the Purchase and Sale Agreement provides that the Hunt River Assets are to be sold on an "as is, where is" basis, at the risk of the Purchaser and without representation and warranty of any kind whatsoever.

15. The Petitioners respectfully submit that this Motion should be granted in accordance with its conclusions.

16. The present Motion is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

[1] **GRANT** this *Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners (Hunt River Assets)* (the "**Motion**").

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

[3] **ISSUE** an order substantially in the form of the draft order communicated as **Exhibit R-2** in support of the Motion.

[4] **THE WHOLE WITHOUT COSTS.**

Montréal, September 16, 2010

Stikeman Elliott

Stikeman Elliott LLP
Attorneys for the Petitioners

AFFIDAVIT

I, the undersigned, Roger Boileau, having my principal place of business at Suite 800, 1155 Metcalfe Street, Montréal, Quebec, H3B 5H2 solemnly declare the following:

1. I am the Director, Fiber Supply and Assets Optimization of AbitibiBowater Inc.

2. All the facts alleged in the *Motion of the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners (Hunt River Assets)* are true.

AND I HAVE SIGNED

Boileau

Roger Boileau

Solemnly declared before me at Montréal, on the 16th day of September, 2010

Commissioner for oaths

Commissioner of Oaths
STEPHANIE PEREIRA
174752
For All Judicial Districts of Quebec

NOTICE OF PRESENTATION

TO : SERVICE LIST

TAKE NOTICE that the *Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners (Hunt River Assets)* will be presented for adjudication before the Honourable Judge Clément Gascon of the Superior Court, sitting in practice in and for the District of Montreal, in the **Montreal Court House, 1 Notre-Dame Street East**, at a date and time to be announced to the Service List.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, September 16, 2010

Stikeman Elliott

STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

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

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC.
- and -
ABITIBI-CONSOLIDATED INC.
- and-
BOWATER CANADIAN HOLDINGS INC.
- and -
the other Petitioner listed herein
Petitioners
- and -
ERNST & YOUNG INC.
Monitor
-and-
THE REGISTRY OF DEEDS FOR NEWFOUNDLAND AND LABRADOR
Mis-en-cause

BS0350 n/dos.: 041053-1170

MOTION FOR THE ISSUANCE OF AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE PETITIONERS (HUNT RIVER ASSETS)

(Section 11 of the *Companies' Creditors Arrangement Act* ("CCAA"))

ORIGINAL

Me Joseph Reynaud **(514) 397-3019**
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STIKEMAN ELLIOTT
Stikeman Elliott LLP BARRISTERS & SOLICITORS
40th Floor
1155 René-Lévesque Blvd. West
Montréal, Canada H3B 3V2

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC.,

and

ABITIBI-CONSOLIDATED INC.,

and

BOWATER CANADIAN HOLDINGS INC.,

and

the other Petitioners listed herein

Petitioners

and

ERNST & YOUNG INC.,

Monitor

and

THE REGISTRY OF DEEDS FOR NEWFOUNLAND AND LABRADOR

Mis-en-cause

LIST OF EXHIBITS

Exhibit R-1: Proposed Authorization and Vesting Order

Exhibit R-2: Executed Purchase and Sale Agreement in respect of the Hunt River Assets

Montreal, September 16, 2010

Stikeman Elliott

STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

EXHIBIT R-1

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: 500-11-036133-094

DATE: ______________________________, 2010

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

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC.

and

ABITIBI-CONSOLIDATED INC.

and

BOWATER CANADIAN HOLDINGS INC.

and

THE OTHER PETITIONERS LISTED ON SCHEDULES "A", "B" AND "C"
Petitioners

and

THE REGISTRY OF DEEDS FOR NEWFOUNDLAND AND LABRADOR

and

ERNST & YOUNG INC.
Monitor

APPROVAL AND VESTING ORDER IN RESPECT OF THE HUNT RIVER ASSETS
(#__________)

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[1] **CONSIDERING** Petitioners' *Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners (Hunt River Assets)* dated ● 2010 (the "**Motion**");

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

[3] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

FOR THESE REASONS, THE COURT:

[1] **AUTHORIZES AND APPROVES** the execution by Abitibi-Consolidated Inc. ("**ACI**") and Abitibi-Consolidated Company of Canada ("**ACCC**") of the Purchase and Sale Agreement filed as Exhibit R-1 to the Motion (the "**Purchase and Sale Agreement**"), by and among ACI and ACCC (the "**Vendors**"), as vendors, and 1512513 Alberta Ltd. (the "**Purchaser**"), as purchaser, and the completion of all the transactions contemplated therein (the "**Proposed Transactions**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor;

[2] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required to proceed with the Proposed Transactions and that no shareholder or regulatory approval shall be required in connection therewith save and except for those contemplated in the Purchase and Sale Agreement;

[3] **ORDERS AND DECLARES** that upon issuance of this Order, all right, title and interest in and to the Assets as defined in the Purchase and Sale Agreement (the "**Purchased Assets**"), shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities, obligations, interests, prior claims, hypothecs, security interests (whether contractual, statutory or otherwise), liens, assignments, judgments, executions, writs of seizure and sale, options, adverse claims, levies, charges, liabilities (direct, indirect, absolute or contingent), pledges, executions, rights of first refusal or other pre-emptive rights in favour of third parties, mortgages, hypothecs, trusts or deemed trusts (whether contractual, statutory or otherwise), restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Purchased Assets Encumbrances**"), including without limiting the generality of the foregoing: (i) any Purchased Assets Encumbrances created by the Order issued on April 17, 2009 by Justice Clément Gascon, J.S.C., as amended, and/or any other CCAA order; and (ii) all Purchased Assets Encumbrances evidenced by registration, publication or filing pursuant to any applicable legislation providing for a security interest in personal or movable property, the *Bank Act* or any other applicable legislation, <u>excluding</u> however, encumbrances the Purchaser has agreed to accept pursuant to the Purchase and Sale Agreement and, for greater certainty, **ORDERS** that all of the Purchased Assets Encumbrances affecting or relating to the Purchased Assets be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date set out in the Purchase and Sale Agreement;

[4] **ORDERS** that upon the registration at the Registry of Deeds for Newfoundland and Labrador of a certified copy of this Order, the Registrar of Deeds is hereby directed to enter the Purchaser as the owner of the real property and real property interests identified in **Schedule "D"** hereto (the "**Real Property**") together with all buildings and other structures, facilities and improvements located thereon, in fee simple in respect of the Real Property, and is hereby directed to discharge, release, delete and expunge from title to the Real Property all of the Purchased Assets Encumbrances;

[5] **ORDERS** that the Purchase Price (as defined in the Purchase and Sale Agreement) shall be remitted directly to Ernst & Young Inc., in its capacity as Monitor of the Petitioners, and **ORDERS** that any amounts owing under the Purchase Price shall be paid directly to Ernst & Young Inc., in its capacity as Monitor of the Petitioners until the issuance of directions by this Court with respect to the allocation of said payments;

[6] **ORDERS** that for the purposes of determining the nature and priority of Purchased Assets Encumbrances, any and all rights of the Vendors under the Purchase Price shall stand in the place and stead of the Purchased Assets, and all Purchased Assets Encumbrances shall attach to such rights with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale;

[7] **ORDERS** that notwithstanding:

(i) the proceedings under the CCAA;

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

(iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets, contemplated in this Order, as well as the execution of the Purchase and Sale Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to an oppression or any other remedy; and

[8] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

[9] **THE WHOLE WITHOUT COSTS.**

CLÉMENT GASCON, J.S.C.

●
Stikeman Elliott LLP
Attorneys for Petitioners

SCHEDULE "A"

ABITIBI PETITIONERS

1. ABITIBI-CONSOLIDATED INC.
2. ABITIBI-CONSOLIDATED COMPANY OF CANADA
3. 3224112 NOVA SCOTIA LIMITED
4. MARKETING DONOHUE INC.
5. ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS INC.
6. 3834328 CANADA INC.
7. 6169678 CANADA INC.
8. 4042140 CANADA INC.
9. DONOHUE RECYCLING INC.
10. 1508756 ONTARIO INC.
11. 3217925 NOVA SCOTIA COMPANY
12. LA TUQUE FOREST PRODUCTS INC.
13. ABITIBI-CONSOLIDATED NOVA SCOTIA INCORPORATED
14. SAGUENAY FOREST PRODUCTS INC.
15. TERRA NOVA EXPLORATIONS LTD.
16. THE JONQUIERE PULP COMPANY
17. THE INTERNATIONAL BRIDGE AND TERMINAL COMPANY,
18. SCRAMBLE MINING LTD.
19. 9150-3383 QUÉBEC INC.
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.

SHEDULE "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"

REAL PROPERTY

[NTD: Insert description of the real property.]

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

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC.
- and -
ABITIBI-CONSOLIDATED INC.
- and-
BOWATER CANADIAN HOLDINGS INC.
- and -
the other Petitioner listed herein
Petitioners
- and -
ERNST & YOUNG INC.
Monitor
-and-
THE REGISTRY OF DEEDS FOR NEWFOUNDLAND AND LABRADOR
Mis-en-cause

BS0350 n/dos.: 041053-1170

EXHIBIT R-1

ORIGINAL

Me Joseph Reynaud (514) 397-3019
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STIKEMAN ELLIOTT
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40th Floor
1155 René-Lévesque Blvd. West
Montréal, Canada H3B 3V2

#10596930 v1

EXHIBIT R-2

THIS AGREEMENT made effective 16th day of September, 2010.

BETWEEN: **1512513 ALBERTA LTD.**, a company formed under the laws of the Province of Alberta

(hereinafter referred to as the "**Purchaser**")

AND: **COMPAGNIE ABITIBI-CONSOLIDATED DU CANADA / ABITIBI-CONSOLIDATED COMPANY OF CANADA**, a company formed under the laws of the Province of Québec, of the one part

- and -

ABITIBI-CONSOLIDATED INC., a company formed under the laws of Canada, of the other part

(together hereinafter referred to as the "**Vendors**")

WHEREAS the Vendors are the beneficial owners of (a) the rights to a fishing camp and associated lands and premises located at Hunt River and Char Lake in the Province of Newfoundland and Labrador ("**the Camps**"), pursuant to those leases and licences listed in the attached Schedule "A" (hereinafter referred to as the "**Permits**") (which Schedule "A" is hereby incorporated as part and parcel of this Agreement), as such Permits have been modified by the *Labrador Inuit Lands Claim Agreement Act*, S.N.L. 2004, c. L-3.1, as amended and the *Labrador Inuit Land Claims Agreement Act*, S.C. 2005, c. 27, as amended, (b) various buildings, structures, wharves and fixtures situate at the Camps (the "**Real Property**") and (c) certain Vendor-owned personal property located at the Camps, including but not limited to those items listed in the attached Schedule "B" (hereinafter referred to as the "**Personal Property**") (which Schedule "B" is hereby incorporated as part and parcel of this agreement) (the Permits, Real Property and Personal Property being collectively hereinafter referred to ~~as~~ the "**Assets**");

AND WHEREAS the Vendors and certain of their affiliates and subsidiaries, in an effort to restructure their business, have filed proceedings pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") in the Superior Court of Quebec, Commercial Division (the "CCAA Court") under docket #500-11-036133-094 and remain, as of the date hereof, under the direct supervision of the CCAA Court and Ernst & Young Inc., in its capacity as court-appointed monitor of the Vendors;

AND WHEREAS the Vendors have agreed to sell and the Purchaser has agreed to purchase the Assets for the consideration set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that for and in consideration of the sum of One Dollar ($1.00) Canadian, paid by each of the parties to the other and in further consideration of the mutual covenants hereinafter contained (the receipt and sufficiency of which is hereby acknowledged) and other good and valuable consideration, the parties hereby covenant and agree as follows:

1. The Vendors agree to sell to the Purchaser, and the Purchaser agrees to purchase from the Vendors, the Assets, including the Permits, Real Property and Personal Property, for the sum of One Million and Four Hundred Thousand Dollars ($1,400,000.00) plus HST (hereinafter referred to as the "**Purchase Price**"). The Purchase Price shall be payable on the Closing Date by wire transfer, certified cheque or bank draft payable to the order of the Vendors' counsel.

2. The Purchaser and Vendors each agree and acknowledge that they are HST registrants.

3. Title to the Assets shall be good and marketable, subject to the terms and conditions of the Permits and of applicable legislation, including the *Labrador Inuit Lands Claim Agreement Act*, S.N.L. 2004, c. L-3.1, as amended, the *Labrador Inuit Land Claims Agreement Act*, S.C. 2005, c. 27, as amended, and the terms and conditions of the Labrador Inuit Land Claims Agreement and any and all Inuit Laws created pursuant to same.

4. The Purchaser confirms that it has (a) inspected the Assets prior to entering into this Agreement and (b) enters into this Agreement on the basis that (i) the Purchaser is purchasing the Assets on an "as-is, where-is" basis and (ii) no warranty or condition can be implied as to description, zoning, fitness for purpose, quality and state of construction and services to the Assets, or in respect of any other matter or thing, except as expressly set out elsewhere in this Agreement.

5. The parties agree that the Vendors may, at their sole option, wish to sell the Assets through the CCAA process by applying for an Approval and Vesting Order from the

CCAA Court which shall provide, *inter alia*, that the Assets shall vest in the Purchaser free and clear of any and all encumbrances, liens or options to purchase (apart from the right of first refusal held by the Nunatsiavut Government and any encumbrance, lien or option to purchase which the Purchaser and Vendors mutually agree to permit to persist) (the "**Approval and Vesting Order**"). The Vendors agree that, if they choose to proceed in this fashion, they shall file a motion with the CCAA Court for the issuance of an Approval and Vesting Order no later than September 20th, 2010 and shall thereafter use commercially reasonable efforts to follow through with the court process as expeditiously as possible. In such case, the Closing Date for the transaction shall be the third business day following the date of the issuance of the Approval and Vesting Order.

6. In the event that the Vendors do not wish to sell the Assets via an Approval and Vesting Order, the Closing Date shall be on the later of (i) October 15, 2010; or (ii) two business days following the emergence of the Vendors from the CCAA process, and the Vendors shall, as of the date of Closing, represent and warrant that:

   (a) the Assets are sold free from encumbrances;
   (b) there are no grounds for a lien to be registered against the Assets; and
   (c) no options to purchase have been granted to any other party in respect of the Assets, apart from the right of first refusal held by the Nunatsiavut Government;

   with such representation and warranty to survive the Closing Date for a period of six months.

7. The Purchaser agrees that it shall consent to an extension of the Closing Date if additional time is required in order for the Vendors to obtain the consent from the Nunatsiavut Government referred to below or the documentation required to have the Assets released from the encumbrances referred to in section 6 of this Agreement, provided that the Purchaser may, at any point after November 30, 2010, give written notice to the Vendors that the purchase and sale transaction must be completed within the next thirty (30) days.

8. The closing of the transaction on the Closing Date is subject to the following preconditions:

(a) waiver by the Nunatsiavut Government of its right of first refusal in respect of the Assets as provided for in Chapter 12, Parts 12.10.1 to 12.10.6 of the Labrador Inuit Land Claim Agreement (which agreement is given force and effect by *Labrador Inuit Lands Claim Agreement Act*, S.N.L. 2004, c. L-3.1, as amended and the *Labrador Inuit Land Claims Agreement Act*, S.C. 2005, c. 27, as amended);

(b) the provision of notice to the Government of Newfoundland and Labrador and the consent of the Nunatsiavut Government to the assignment of the following Permits from the Vendors to the Purchaser:

(i) Lease for Outfitter No. 78794;
(ii) Lease for Outfitter No. 78136; and
(iii) Crown Licence No. L-72676;

(c) the Permits being in good standing as of the Closing Date; and

(d) the Vendors providing a Bill of Sale in respect of the Personal Property to be included in the sale.

9. Both the Vendors and the Purchaser agree, upon any reasonable request from the other, to execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectively implement and carry out the true intent and meaning of this Agreement.

10. Both the Vendors and the Purchaser acknowledge having read and received a copy of this Agreement at the time of signing.

11. This Agreement may be executed in one or more counterparts and by facsimile execution, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same Agreement.

12. Each party shall be responsible for its own legal, accounting and other fees and costs associated with this transaction.

13. All buildings and equipment comprising the Assets shall be and remain at the risk of the Vendors until closing. Pending completion of the sale hereunder, the Vendors will hold all insurance policies and the proceeds thereof in trust for the parties as their interests may appear.

14. This Agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns. The Purchaser shall not have the right to assign this Agreement excepting to subsidiary or affiliated company without the prior written consent of the Vendors. In the event of any such assignment, the Purchaser shall remain liable to the Vendors hereunder until closing has been completed on the Closing Date.

15. Time shall be of the essence in this Agreement, except insofar as this Agreement otherwise provides in terms of potential extensions, and provided that the time for doing or completing any matter provided for herein may be otherwise extended or abridged by an agreement in writing signed by the Vendors and the Purchaser or their respective solicitors, who are expressly appointed in this regard.

16. This Agreement shall be governed by the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

17. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes any and all prior oral statements, representations, warranties, undertakings or agreements between the parties.

18. In the event that any of the provisions or parts of this agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions or parts thereof shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date and year first above written.

1512513 ALBERTA LTD.

Per: ______________________

Name:

Title:

I/We have the authority to bind the corporation

____
Witness

COMPAGNIE ABITIBI-CONSOLIDATED DU CANADA / ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per: ______________________

Name: JACQUES P. VACHON

Title: VP + SECRETARY

I/We have the authority to bind the corporation

____
Witness

ABITIBI-CONSOLIDATED INC.

Per: ______________________

Name: ALLEN DEA

Title: VP + SECRETARY

I/We have the authority to bind the corporation

____
Witness

1512513 ALBERTA LTD.

Per:

Name: CHRIS DAHL

Title: CFO

I/We have the authority to bind the corporation

Witness

COMPAGNIE ABITIBI-CONSOLIDATED DU CANADA / ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per:

Name:

Title:

I/We have the authority to bind the corporation

Witness

ABITIBI-CONSOLIDATED INC.

Per:

Name:

Title:

I/We have the authority to bind the corporation

Witness

1512513 ALBERTA LTD.

Per: ______________________

Name:

Title:

I/We have the authority to bind the corporation

____
Witness

COMPAGNIE ABITIBI-CONSOLIDATED DU CANADA / ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per: ______________________

Name: JACQUES P. VACHON

Title: VP + SECRETARY

I/We have the authority to bind the corporation

____
Witness

ABITIBI-CONSOLIDATED INC.

Per: ______________________

Name: ALLEN DEA

Title: VP + SECRETARY

I/We have the authority to bind the corporation

____
Witness

Schedule "A"

Leases and Licences

- Lease for Outfitter No. 78794 dated June 5, 1991 issued by the Minister of Environment and Lands for the Province of Newfoundland to Abitibi-Price Inc.;
- Lease for Outfitter No. 78136 dated June 11, 1992 issued by the Minister of Environment and Lands for the Province of Newfoundland to Last Frontier Fishing Lodges Limited;
- Crown Licence No. L-72676 dated June 25, 1986 issued by the Minister of Environment and Lands for the Province of Newfoundland and Labrador to Last Frontier Fishing Lodges Limited, as renewed by Renewal of Licence dated February 16, 1993;
- Tourist Establishment Licence # 1202 (Char Lake Camp);
- Tourist Establishment Licence # 1203 (Hunt River Lodge);
- Tourist Establishment Licence # 1204 (Upper Hunt Camp).

Schedule "B"

Personal Property

- 25 foot open cruiser (motor needs to be replaced);
- 18 foot aluminum boat and motor;
- 13 river boats;
- 9 outboard motors (15 horsepower);
- 2 outboard motors (8 horsepower);
- generators situate at the Camps;
- all furniture, window dressings, utensils, appliances and other personal property situate at the Camps;
- all stored propane, oil and gas stored at the Camps.

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

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC.
- and -
ABITIBI-CONSOLIDATED INC.
- and-
BOWATER CANADIAN HOLDINGS INC.
- and -
the other Petitioner listed herein
Petitioners
- and -
ERNST & YOUNG INC.
Monitor
-and-
THE REGISTRY OF DEEDS FOR NEWFOUNDLAND AND LABRADOR
Mis-en-cause

BS0350 n/dos.: 041053-1170

EXHIBIT R-2

ORIGINAL

Me Joseph Reynaud
(514) 397-3019
Fax : (514) 397-3616

STIKEMAN ELLIOTT
Stikeman Elliott LLP BARRISTERS & SOLICITORS
40th Floor
1155 René-Lévesque Blvd. West
Montréal, Canada H3B 3V2

SUPERIOR COURT
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LIST OF EXHIBITS

ORIGINAL

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