**FOURTH AMENDMENT TO SENIOR SECURED, SUPER-PRIORITY**
**DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT**

This Fourth Amendment to Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement (this "Agreement") is entered into as of February 28, 2011, by and among WHITE BIRCH PAPER HOLDING COMPANY, an unlimited liability company organized under the laws of Nova Scotia, WHITE BIRCH PAPER COMPANY, an unlimited liability company organized under the laws of Nova Scotia ("White Birch" or the "Company"), STADACONA L.P., a limited partnership organized under the laws of Quebec ("Stadacona"), F.F. SOUCY L.P., a limited partnership organized under the laws of Quebec ("Soucy 2"), PAPIER MASSON LTÉE, a corporation organized under the laws of Canada ("Papier Masson" and together with White Birch, Stadacona and Soucy 2, the "Canadian Borrowers") and BEAR ISLAND PAPER COMPANY, L.L.C., a limited liability company organized under the laws of Virginia (the "U.S. Borrower" or "Bear Island" and together with the Canadian Borrowers, collectively as the "Borrowers"), the other Loan Parties party hereto, the Lenders (as defined below) party hereto, BLACK DIAMOND COMMERCIAL FINANCE, L.L.C., as syndication agent (in such capacity and together with its successors, the "Syndication Agent") and CREDIT SUISSE AG, TORONTO BRANCH, as administrative agent (in such capacity and together with its successors, the "Administrative Agent").

WHEREAS, the Borrowers, the other Loan Parties, the Administrative Agent and the lenders party thereto from time to time (the "Lenders") have entered into that certain Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement, dated as of March 1, 2010 (as amended prior to the date hereof and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrowers and the other Loan Parties have requested that the Administrative Agent and Lenders agree to amend certain provisions of the Credit Agreement; and

WHEREAS, the Administrative Agent and the undersigned Lenders (constituting all of the Lenders) have agreed to amend certain provisions of the Credit Agreement, in each case on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I.
## AMENDMENTS

Section 1.1 Amendments. Immediately upon the occurrence of the Effective Date, the following amendments to the Credit Agreement shall become effective as of the date hereof,

(a) The following definitions shall be added to Section 1.1 of the Credit Agreement in proper alphabetical sequence:

"Asset Sale Agreement": that certain Asset Sale Agreement dated as of August 10, 2010 by and among White Birch Paper Company and the other entities identified therein as sellers and BD White Birch Investment LLC, as buyer, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Purchase Agreement MAE": means a "Material Adverse Effect" under and as defined in the Asset Sale Agreement.

(b) The definition of "Consolidated EBITDA" located in Section 1.1 of the Credit Agreement is hereby deleted in its entirety.

(c) The definition of "Liquidity" located in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

""Liquidity": at any time, all unrestricted cash and Cash Equivalents on the balance sheet of the Company and its Subsidiaries at such time."

(d) The definition of "Maturity Date" located in Section 1.1 of the Credit Agreement is hereby amended such that the reference to "March 1, 2011" located therein is replaced with "September 30, 2011".

(e) Section 5.19(b)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(vi) On or before June 30, 2011, the transactions contemplated in the Winning Bid made by the Winning Bidder shall have been consummated."

(f) Section 6.1(a) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(a) Minimum Liquidity. Permit Liquidity at any time to be less than $50,000,000."

(g) Section 6.1(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(b) Reserved."

(h) Section 6.7 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"6.7 Limitation on Capital Expenditures. Make or commit to make any Capital Expenditure, except Capital Expenditures of the Company Group Members in the ordinary course of business not exceeding, for the twelve-month period ending on the last day of any calendar month (commencing with the calendar month ending February 28, 2011), on a cumulative basis, $17,500,000."

(i) Section 7 of the Credit Agreement is hereby amended by deleting the "or" from the end of clause (k) thereof, replacing the period at the end of clause (l)(xxiii) with "; or", and adding the following new clause (m) immediately following clause (l)(xxiii):

> ""(m) either (i) a Purchase Agreement MAE shall occur or (ii) any Company Group Member shall default in the observance or performance of any term or condition contained in the Asset Sale Agreement, or any other event shall occur or condition shall exist, that shall cause BD White Birch Investment LLC to terminate the Asset Sale Agreement in accordance with the terms thereof, in any case after the expiration of three (3) Business Days after written notice thereof shall have been delivered to the Borrowers by the Administrative Agent."

Section 1.2 Reservation of Rights. Except as expressly set forth in this Agreement, nothing contained in this Agreement shall, or shall be deemed to, (i) constitute a waiver of any Default or Event of Default that may heretofore or hereafter occur or have occurred and be continuing, or (ii) modify, amend, alter or affect any provision of the Credit Agreement or any other Loan Document. Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) extend the terms of the Credit Agreement or the due date of any of the Obligations; (ii) give rise to any obligation on the part of Administrative Agent or any Lender to extend, modify, alter, amend or waive any term or condition of the Credit Agreement or the other Loan Documents or otherwise prejudice any rights or remedies which the Administrative Agent and Lenders now have or may have in the future; or (iii) give rise to any defenses, setoffs, reductions or counterclaims to Administrative Agent's or any Lenders' right to compel payment of the Obligations or to otherwise enforce, exercise and enjoy the benefits of their respective rights and remedies under the Credit Agreement and the other Loan Documents.

## ARTICLE II.
## CONDITIONS OF EFFECTIVENESS

Section 2.1 Conditions of Effectiveness. This Agreement shall be effective as of the date first above written (the "Effective Date") upon the occurrence of the following conditions precedent: (i) the Administrative Agent shall have received a counterpart signature page of this Agreement duly executed by the Administrative Agent, the Syndication Agent, each of the Lenders party to the Credit Agreement, the Borrowers and each other Loan Party, (ii) this Agreement shall have been approved in writing by the Monitor and by final order of the Bankruptcy Court, in form and substance reasonably acceptable to the Administrative Agent and (iii) the Administrative Agent shall have received from the Borrowers, for its own account, a non-refundable administration fee in the amount of $50,000.

## ARTICLE III.
## MISCELLANEOUS

Section 3.1 Direction to Administrative Agent. In response to a request for instruction from the Administrative Agent, the Lenders party hereto hereby instruct the Administrative Agent pursuant to Section 8.4 of the Credit Agreement to execute and deliver this Agreement and to promptly and fully consummate the transactions contemplated by this Agreement.

Section 3.2 Full Force and Effect. Except as expressly provided by this Agreement, the Credit Agreement and other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and reaffirmed. Except as expressly set forth in this Agreement, no other terms and conditions of the Credit Agreement or any other Loan Document are hereby waived, amended, altered or otherwise modified. Except as expressly set forth in this Agreement, the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document. Upon the effectiveness of this Agreement, each reference in the Credit Agreement to "this Credit Agreement," "hereunder," "hereof," "herein" or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby.

Section 3.3 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH SECTION 9.11 OF THE CREDIT AGREEMENT.

Section 3.4 WAIVER OF JURY TRIAL. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 3.5 Integration. This Agreement (together with the other Loan Documents (each as amended, supplemented or otherwise modified from time to time)) sets forth in full the terms of agreement between the parties and is intended as the full, complete and exclusive contract governing the relationship between the parties with respect to the transactions contemplated herein, superseding all other discussions, promises, representations, warranties, agreements and understandings, whether written or oral, between the parties with respect thereto.

Section 3.6 No Amendment. No term of this Agreement may be waived, modified or amended except in a writing signed in accordance with Section 9.1 of the Credit Agreement.

Section 3.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart. A facsimile or electronic mail transmission of this Agreement bearing a signature on behalf of a party hereto shall be legal and binding on such party.

***[SIGNATURE PAGES FOLLOW]***

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

WHITE BIRCH PAPER COMPANY

By: ______________________
Name:
Title:

WHITE BIRCH PAPER HOLDING COMPANY

By: ______________________
Name:
Title:

STADACONA L.P., by one of its general partners,
WHITE BIRCH PAPER COMPANY

By: ______________________
Name:
Title:

F.F. SOUCY L.P., by one of its general partners,
WHITE BIRCH PAPER COMPANY

By: ______________________
Name:
Title:

BEAR ISLAND PAPER COMPANY, L.L.C.

By: ______________________
Name:
Title:

PAPIER MASSON LTÉE

By: ______________________
Name:
Title:

STADACONA GENERAL PARTNER INC.

By: ______________________
Name:
Title:

*[Signature Page to Fourth Amendment to DIP Loan Agreement (White Birch)]*

CREDIT SUISSE AG, TORONTO BRANCH,
as Administrative Agent

By: ________________________
Name: Alain Daoust
Title: Director

By: ________________________
Name: Steve W. Fuh
Title: Vice-President

*[Signature Page to Fourth Amendment to DIP Loan Agreement (White Birch)]*

BLACK DIAMOND COMMERCIAL FINANCE, L.L.C.,
as Syndication Agent

By: ____________________________
Name: H Gravenhorst
Title: M.D.

By: ____________________________
Name:
Title: