January 19, 2012

Via Facsimile and Federal Express

White Birch Paper Company
10 Boulevard Des Capucins
Quebec City, Quebec G1J 3R4
Attn: Chief Financial Officer
Fax: (418) 524-2920

Re: Waiver of Defaults Related to Permanent Closing of the Stadacona Paper Mill

Ladies and Gentlemen:

Reference is hereby made to that certain Senior Secured Super-Priority Debtor-in-Possession Term Loan Credit Agreement, dated as of March 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among White Birch Paper Holding Company, White Birch Paper Company (the "Company" or the "Borrower"), Stadacona L.P., F.F. Soucy L.P., Papier Masson Ltée, Bear Island Paper Company, L.L.C. ("Bear Island Paper Company"), the Lenders party thereto from time to time, Credit Suisse AG, as US collateral agent under the Credit Agreement for the Lenders, Credit Suisse AG, Toronto Branch, as Canadian collateral agent and administrative agent under the Credit Agreement for the Lenders (in its capacity as administrative agent, the "Administrative Agent"), Black Diamond Commercial Finance, L.L.C., as syndication agent under the Credit Agreement (in such capacity, the "Syndication Agent") and the other parties thereto. Capitalized terms used but not defined herein shall have the respective meanings set forth in the Credit Agreement.

The undersigned understand that the Company has requested the Lenders and Administrative Agent waive current Defaults or Events of Default, if three (3) Business Days' notice of such had been given, under sections 7(m)(i) and (n)(ii) (due to picketing) of the Credit Agreement that, in each case, resulted solely from permanently closing the Stadacona paper mill located in Quebec City, Quebec and termination of employees effective January 12, 2012 (the "Specified Transaction"). Each of the undersigned, collectively constituting the Majority Lenders under and as defined in the Credit Agreement, hereby waives current Defaults or Events of Default, if three (3) Business Days' notice of such had been given, under sections 7(m)(i) and (n)(ii) (due to picketing) of the Credit Agreement that resulted solely from the consummation of the Specified Transaction on January 12, 2012.

Except as expressly provided herein with respect to the Specified Transaction on January 12, 2012, this letter and any action taken or omitted to be taken with respect to the Specified Transaction does not establish a custom or course of dealing with respect to, and does not waive, limit, postpone, alter or otherwise affect, either (i) any of the Loan Parties' obligations under the Credit Agreement, the other Loan Documents or otherwise, or (ii) any of the rights or remedies of the Administrative Agent or the Lenders arising under the Credit Agreement, the other Loan Documents or applicable law, all of which rights and remedies hereby are expressly reserved. In response to a request for instruction from the Administrative Agent, the Majority Lenders party hereto hereby instruct the Administrative Agent pursuant to Section 8.4 of the Credit Agreement to execute and deliver this letter agreement and to promptly and fully consummate the transactions contemplated by this letter agreement. Except as expressly provided herein with respect to the Specified Transaction, any discussions (whether written or oral) that have occurred or may hereafter occur are not, and shall not be deemed to be, a waiver, limitation or postponement of any of the rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement, any of the other Loan Documents or applicable law, all of which rights and remedies hereby are expressly reserved. This letter agreement constitutes a Loan Document.

Sincerely,

CREDIT SUISSE AG, Toronto Branch, as Administrative Agent

By: ______________________

Name: Alain Daoust

Director

Title: ______________________

By: ______________________

Name: ______________________

Title: ______________________

Andrew Stewart

Chief Financial Officer

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

By: ______________________________

Name: H Gravenhorst

Title: M.D.

By: ______________________________

Name: ______________________________

Title: ______________________________

Black Diamond CLO 2005-2 LTD.
By: Black Diamond CLO 2005-2 Adviser, L.L.C.,
As Its Collateral Manager

as Lender

By: ____________________________

Name: Stephen H. Deckoff

Title: Managing Principal

Black Diamond CLO 2006-1 (CAYMAN) LTD.
By: Black Diamond CLO 2006-1 Adviser, L.L.C.,
As Its Collateral Manager
as Lender

By: ______________________

Name: Stephen H. Deckoff

Title: Managing Principal

BDC Finance, L.L.C.
By: BDCM Fund Adviser, L.L.C.,
Its Investment Manager
as Lender

By: ____________________

Name: Stephen H. Deckoff

Title: Managing Principal

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BDCM Opportunity Fund II, L.P.
By: BDCM Opportunity Fund II Adviser, L.L.C.
Its Investment Manager
as Lender

By: ______________________________

Name: Stephen H. Deckoff

Title: Managing Principal

Black Diamond CLO 2005-1 LTD.
By: Black Diamond CLO 2005-1 Adviser, L.L.C.,
As Its Collateral Manager

as Lender

By: ______________________

Name: Stephen H. Deckoff

Title: Managing Principal

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CREDIT SUISSE LOAN FUNDING LLC, as Lender

By: ______________________

Name: BARRY ZAMORE

Title: MANAGING DIRECTOR

Robert Healey
Authorized Signatory

Acknowledged and agreed as of January 19, 2012

White Birch Paper Company

By: ______________________

Name: Edward D. Sherrick

Title: Sr. V.P. - CFO

cc: Christopher J. Marcus
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Fax: 212 446 6460
christopher.marcus@kirkland.com