CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-038474-108

SUPERIOR COURT
(Commercial Division)

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

WHITE BIRCH PAPER HOLDING COMPANY
- and -
WHITE BIRCH PAPER COMPANY
- and -
STADACONA GENERAL PARTNER INC.
- and -
BLACK SPRUCE PAPER INC.
- and -
F.F. SOUCY GENERAL PARTNER INC.
- and -
3120772 NOVA SCOTIA COMPANY
- and -
ARRIMAGE DE GROS CACOUNA INC.
- and -
PAPIER MASSON LTÉE

Debtors

-and -

ERNST & YOUNG INC.

Monitor

- and -

STADACONA LIMITED PARTNERSHIP
- and -
F.F. SOUCY LIMITED PARTNERSHIP
- and -
F.F. SOUCY, INC. & PARTNERS, LIMITED PARTNERSHIP

Mis en Cause

-and -

OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF BEAR ISLAND PAPER COMPANY, L.L.C., a legal entity created under the United States Bankruptcy Code, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia, 23219, U.S.A.

CONTESTATION OF THE DEBTORS' MOTION TO APPROVE A STALKING HORSE BIDDER, TO APPROVE AN ASSET SALE AGREEMENT, TO APPROVE BIDDING PROCEDURE FOR THE SALE OF SUBSTANTIALLY ALL THE WB GROUP'S ASSETS AND TO SCHEDULE AN AUCTION AND SALE HEARING

TO THE HONOURABLE CLAUDE AUCLAIR J.S.C., SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF BEAR ISLAND PAPER COMPANY, L.L.C. (THE "OFFICIAL COMMITTEE"), RESPECTFULLY SUBMITS THE FOLLOWING:

1. On February 24, 2010, the Debtors filed a Motion for the issuance of an initial order (the "**Initial Order**"), which was granted on the same day by this Honourable Court;

2. Also on February 24, 2010, Bear Island Paper Company, L.L.C. ("**Bear Island**"), a Virginian company and a subsidiary of Debtor White Birch Paper Company, filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code ("**U.S. Bankruptcy Code**") in the United States bankruptcy court for the Eastern District of Virginia (the "**U.S. Bankruptcy Court**");

3. The Official Committee was created pursuant to section 1102 of the U.S.Bankruptcy Code and appointed by the Assistant U.S. Trustee on March 3, 2010, as appears from a copy of said Appointment as well as per the Appearance filed by the Official Committee before the U.S. Bankruptcy Court communicated herewith in support hereof as **Exhibit R-1**;

4. The Official Committee represents the interests of all unsecured creditors of Bear Island and is authorized pursuant to section 1103 of the U.S. Bankruptcy Code to act in the interest of the unsecured creditors of Bear Island;

5. The Motion filed by the Debtors in the present file to approve a stalking horse bidder, to approve an asset sale agreement, to approve bidding procedures for the sale of substantially all the WB Group's assets and to schedule an auction and sale hearing (the "**Motion**") seeks the authorization of this Court to sell substantially all of WB Group's assets, with no allocation between the assets located in Canada and those located in the US;

6. More specifically, the Motion seeks the approval of:

   a) the Sale Agreement dated August 10, 2010 (Exhibit SM-2) (the "**Sale Agreement**");and

   b) the Bidding Procedures (Exhibit SM-3) (the "**Bidding Procedures**").

7. Moreover, a similar motion will be heard on August 31, 2010, which was originally scheduled for August 25, 2010 as it appears from the Notice of Hearing on Motion of Bear Island Paper Company, L.L.C. for Entry of Orders Approving the (A) Form of the Sale Agreement, (B) Bidding Procedures, (C) Form and Manner of Notice of the Auction and Sale Hearing, (D) Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (E) Sale of Assets Free and Clear of Liens, Claims, Encumbrances and Interests and (F) Assumption and Assignment of Certain

Executory Contracts and Unexpired Leases (the "**Bear Island Motion**") communicated herewith in support hereof as **Exhibit R-2**;

8. The Official Committee intends to contest several aspects of the Bear Island Motion as well as its consequences for the unsecured creditors of Bear Island before the U.S. Bankruptcy Court;

9. The Official Committee will file and detail its grounds of objection on or before August 30, 2010, which is the new deadline for the Official Committee to object to the Bear Island Motion;

10. In light of the hearing to be held before the U.S. Bankruptcy Court on August 31, 2010, the Official Committee hereby requests that any proceeding and/or any order rendered in the CCAA file should not be construed to affect in any way the rights of the Official Committee, or the objections of the Official Committee to the Bear Island Motion before the U.S. Bankruptcy Court;

11. Specifically, in the final paragraph of the proposed order sought in the Motion the Debtors ask this Court to request that the U.S. Bankruptcy Court give effect to such proposed order and assist the Debtors in carrying out such order. The Committee asks that the Court strike such request from any order approving the Motion or modify such request to expressly clarify that nothing in the Order affects the rights of the Official Committee, the objections of the Official Committee to the Bear Island Motion, or the ultimate decision to be rendered by the U.S. Bankruptcy Court concerning the Bear Island Motion.

12. Petitioner reserves its rights to seek an order before this Honourable Court varying, rescinding or otherwise affecting the terms, conditions and consequences of the Motion to approve a stalking horse bidder, to approve an asset sale agreement, to approve bidding procedure for the sale of substantially all the WB Group's assets and to schedule an auction and sale hearing;

13. This Contestation is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Contestation;

DECLARE that any proceeding and/or any order rendered in the CCAA file should not be construed as to affect the Official Committee's rights, the Official Committee's objection to the Bear Island Motion, or the ultimate decision of the U.S. Bankruptcy Court concerning the Bear Island Motion; and that Bear Island will still have to prove in front of the U.S. Bankruptcy Court, the appropriateness of the bidding procedures and assets sale as proposed in the Bear Island Motion;

RESERVE the rights of the Official Committee to seek an order before this Honourable Court varying, rescinding or otherwise affecting the terms, conditions and consequences of the motion to approve a stalking horse bidder, to approve an asset sale agreement, to approve bidding procedure for the sale of substantially all the WB Group's assets and to schedule an auction and sale hearing;

THE WHOLE without costs, unless the present motion is contested.

Montréal, August 20, 2010

Borden Ladner Gervais LLP
Petitioner's attorneys

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CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-038474-108

SUPERIOR COURT
(Commercial Division)

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

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OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF BEAR ISLAND PAPER COMPANY, L.L.C., a legal entity created under the United States Bankruptcy Code, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia, 23219, U.S.A.

ATTESTATION D'AUTHENTICITÉ
SELON L'ART. 82.1 C.p.c.

Je, soussigné, Marc Duchesne, avocat, exerçant ma profession au 1000 de la Gauchetière ouest, suite 900, Montréal, Québec, H3B 5H4, district de Montréal, atteste ce qui suit :

1. En date du 20 août 2010, à 14h12, j'ai reçu par télécopieur de Jason W. Harbour un affidavit dans le dossier de la Cour supérieure, du district de Montréal, numéro 500-11-038474-108;

2. Jason W. Harbour, m'a transmis ledit affidavit de la ville de Richmond, Virginie aux Etats-Unis d'Amérique;

3. La copie dudit affidavit jointe à la présente attestation est conforme au fac-similé ainsi reçu par télécopieur de Jason W. Harbour, avocat de la firme Hunton & Williams LLP ;

Montréal, le 20 août 2010

Marc Duchesne
BORDEN LADNER GERVAIS S.R.L., S.E.N.C.R.L.

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AFFIDAVIT

I, **Jason W. HARBOUR**, Esq., exercising my profession at Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, in the United States of America, do solemnly declare the following:

1. I am an attorney of the firm Hunton & Williams LLP which represents the *Official Committee of Unsecured Creditors of Bear Island Paper Company, L.L.C.* before the U.S. Bankruptcy Court and duly authorized for the purposes hereof;

2. I am aware of all the facts alleged in the *Contestation of the Debtors' motion to approve a stalking horse bidder, to approve an asset sale agreement, to approve bidding procedure for the sale of substantially all the WB Group's assets and to schedule an auction and sale hearing* to which this Affidavit is attached;

3. All the facts alleged in the Contestation to which this Affidavit is attached are true.

AND I HAVE SIGNED

Jason W. HARBOUR

SOLEMNLY AFFIRMED TO BEFORE ME
In Richmond, Virginia,

this 20 day of August 2010

Cynthia Dale Loving
Notary Public

CYNTHIA DALE LOVING
NOTARY PUBLIC
REG # 293773
MY COMMISSION EXPIRES 03/31/13
COMMONWEALTH OF VIRGINIA

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL
No.: 500-11-038474-108

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Papier Masson Ltée

Debtors

-and –
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Monitor

-and –
Stadacona Limited Partnership
F.F. Soucy Limited Partnership
F.F. Soucy, Inc. & Partners, Limited Partnership

Mis en Cause

-and-
Official Committee of Unsecured Creditors of Bear Island Paper Company, L.L.C.

Petitioner

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ORIGINAL

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Me Marc Duchesne
B.M. 2545

File : 287638-000002