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March 2, 2010

To the Creditors of White Birch Paper Company and its affiliates

RE: Proceedings under the *Companies' Creditors Arrangement Act*[1]

Please be informed that on February 24, 2010, on a motion made by White Birch Paper Company ("**White Birch**" or "**Company**") and various of its affiliates (collectively referred to as the "**Applicants**"), the Superior Court of the Province of Québec for the District of Montréal ("**Court**"), sitting as the designated tribunal pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**")[1] issued an order ("**Initial Order**") declaring that the Applicants are debtor companies to which the CCAA applies, appointing Ernst & Young Inc. as monitor and granting certain relief to the Applicants while they prepare a plan of arrangement pursuant to the CCAA.

In virtue of Section 23 of the CCAA, a copy of the Initial Order must be made available to the creditors and, accordingly, you may obtain a copy of the said Initial Order, together with other information pertaining to the proceedings under the CCAA, from the monitor's web site at www.ey.com/ca/WhiteBirch.

You will note that the Initial Order provides for various measures of relief for the Applicants, and for various partnerships in which White Birch has a direct or indirect interest[2]. These measures of relief include, inter alia, a stay of proceedings.

Please be further informed, in accordance with the provisions of section 23(1)(e) of the CCAA, that the Monitor has prepared a report on the cash flow statement filed by the Applicants in support of their petition of an initial order, and that this report is available on the Monitor's website at the above-mentioned address.

The CCAA provides for various reports to be filed by the Monitor with the Court, at various times. These reports may include, inter alia, reports on the reasonableness of cash flow projections filed by the Applicants, reports on the state of the Applicants' business and financial affairs, etc. Please be informed that the Monitor shall post a notice to the creditors on

[1] R.S.C. 1985, c. C-36, as amended.

[2] The entities addressed by the Initial Order are White Birch Paper Holding Company, White Birch Paper Company, Stadacona General Partner Inc., Black Spruce Paper Inc., F.F. Soucy General Partner Inc., 3120772 Nova Scotia Company, Arrimage De Gros Cacouna Inc., Papier Masson Ltée., Stadacona Limited Partnership, F.F. Soucy Limited Partnership, and F.F. Soucy, Inc. & Partners, Limited Partnership.

its website, at the above-mentioned address, when the said reports are filed, and unless the Court orders the said reports to be kept confidential, the reports themselves will be posted on the Monitor's website. Creditors are advised to consult the Monitor's website periodically, to inform themselves of the progress of the proceedings.

Yours very truly,

ERNST & YOUNG INC.
in its capacity as Court appointed Monitor in the matter of
the proposed plan of arrangement of
White Birch Paper Company and its affiliates

Per: Martin P. Rosenthal, CA, CIRP Senior Vice President	Per: Jean-Daniel Breton, CA, CIRP Senior Vice President