

AMENDMENT NO. 18 TO THE ASSET SALE AGREEMENT

THIS AMENDMENT No. 18 TO THE ASSET SALE AGREEMENT (this “**Eighteenth Amendment**”) is entered into as of September 13, 2012 by and among BD White Birch Investment LLC, a limited liability company organized under the Laws of Delaware (the “**Purchaser**”), White Birch Paper Company, a company organized under the Laws of Nova Scotia (“**White Birch**”), the subsidiaries of White Birch listed in Exhibit A hereto (together with White Birch, the “**Sellers**”) and the Wholly-Owned Subsidiaries and/or Affiliates of Purchaser (the “**Designated Purchasers**”) listed in Exhibit B hereto. All capitalized terms not otherwise defined herein shall have such meanings as ascribed to them in the ASA (as defined below).

WITNESSETH:

WHEREAS, the Purchaser and the Sellers have entered into that certain Asset Sale Agreement, dated as of August 10, 2010, as amended by the First Amendment thereto, dated as of August 23, 2010, the Second Amendment thereto, dated as of August 31, 2010, the Third Amendment thereto, dated as of September 22, 2010, the Fourth Amendment thereto, dated as of November 19, 2010, the Fifth Amendment thereto, dated as of December 28, 2010, the Sixth Amendment thereto, dated as of January 28, 2011, the Seventh Amendment thereto, dated as of March 25, 2011, the Eighth Amendment thereto, dated as of April 29, 2011, the Ninth Amendment thereto, dated as of May 26, 2011, the Tenth Amendment thereto, dated as of July 28, 2011, the Eleventh Amendment thereto, dated as of September 14, 2011, the Twelfth Amendment thereto, dated as of September 29, 2011, the Thirteenth Amendment thereto, dated as of October 14, 2011, the Fourteenth Amendment thereto, dated as of December 20, 2011, the Fifteenth Amendment thereto, dated as of February 28, 2012, the Sixteenth Amendment, dated as of May 30, 2012 and the Seventeenth Amendment, dated as of August 31, 2012 relating to the purchase and sale of the Assets (as amended, the “**ASA**”); and

WHEREAS, the Parties wish to amend the terms of the ASA, pursuant to Section 10.4 thereof, to the extent provided herein.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Amendments.

(a) Amendments to Schedules. The Sellers Disclosure Letter to the ASA, previously delivered by the Sellers to the Purchaser in accordance with Section 5.2(d) on September 7, 2010, is amended and restated in its entirety to that delivered to Purchaser and the Designated Purchasers on the date hereof, with disclosure to the date hereof, provided that disclosure at Section 4.13 of the Sellers Disclosure Letter (Taxes) shall not have been updated and will remain as in the original Sellers Disclosure Letter other than matters with respect to value-added taxes in Canada which have been updated with disclosure to the date hereof.

(b) Section 5.2(g). For purposes of drawing on the letter of credit referred to in Section 5.2(g) of the ASA to secure the indemnification obligations of the Purchasers (as defined therein), the Parties agree that Mr. Christopher M. Brant shall be listed as the agent for the D&O

Charge Covered Persons in order to accommodate the need of the issuing bank to have named persons listed as beneficiaries. If Christopher Brant is incapable at any time of acting as agent (through death, disability or otherwise) or is unwilling to assume such role at any time, Purchasers shall use reasonable efforts to have the letter of credit replaced with a replacement agent listed as the beneficiary who is a D&O Charge Covered Person and who is willing to act in such role. Christopher Brant, or any replacement agent, shall for purposes of the Letter of Credit act as agent for all D&O Covered Persons and shall only be entitled to draw on the Letter of Credit in strict accordance with the terms set forth in section 5.2(g) of the ASA and may not otherwise deal with the Letter of Credit in any other manner whatsoever. Furthermore, Christopher Brant, or any replacement agent, shall be obliged to return the letter of credit to the Purchasers at the expiration of the Directors' and Officers' claims process in respect of the Initial CCCA Order.

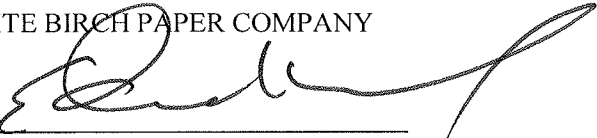
(c) Bill of Exchange. Notwithstanding anything to the contrary contained herein, at the Closing a promissory note attached hereto as Exhibit C will be delivered by the Purchaser (on behalf of itself and the Designated Purchasers) in order to satisfy the delivery of the Purchase Price (other than clauses (a), (b) and (f) of such definition). This modification and the use of this promissory note as an exchange note mechanism are being used for the convenience of the parties so that the closing of the ASA could occur on September 13, 2012. This modification and the related acts, events and impact on the flow of funds shall not alter, impair or in any way prejudice any parties' rights under that certain reservation of rights settlement agreement, dated September 13, 2012, (the "Reservation of Rights Settlement Agreement") which agreement reserves parties rights as to "Estate Allocation Issues," as defined in the Reservation of Rights Settlement Agreement. For the avoidance of doubt, for purposes of resolving or otherwise litigating the Estate Allocations Issues, the tendering of a promissory note as an exchange note mechanism will be disregarded and no party shall use this mechanism against the other. To the extent the foregoing provision is not respected or otherwise honored by a litigant not a party hereto, the parties hereto agree that the phrase "Simultaneously with the Closing" as used in Section 5.17 of the ASA shall include both the date the promissory note has been tendered as well as the date following such tender when the promissory note has been exchanged for satisfaction of the items in clauses (c), (d), (e) and (g) of the Purchase Price definition in Section 2.2.1 of the ASA. In the event that the amounts required by the Bill of Exchange are not satisfied by 5:00 pm Eastern time on Monday, September 17, 2012, this clause (c) of Eighteenth Amendment shall be deemed cancelled and the parties agree that no Closing shall have occurred.

2. Full Force and Effect. The ASA shall not be amended or otherwise modified by this Eighteenth Amendment except as set forth in Section 1 of this Eighteenth Amendment. Except as amended by this Eighteenth Amendment, the ASA shall continue to be and shall remain in full force and effect in accordance with its terms, and the parties hereto hereby ratify and confirm the ASA in all respects, as amended hereby. All references to the "Agreement," "herein," "hereof," "hereunder" or words of similar import in the ASA shall be deemed to include the ASA as amended by this Eighteenth Amendment.

3. Miscellaneous. The provisions of Article X (Miscellaneous) of the ASA shall apply to this Eighteenth Amendment as if such provisions were set out herein in full and as if each reference therein to "this Agreement" included a reference to this Eighteenth Amendment.

IN WITNESS WHEREOF, the parties have duly executed this Eighteenth Amendment as of the date first above written.

WHITE BIRCH PAPER COMPANY

By: 
Name:
Title:

STADACONA GENERAL PARTNER INC.

By: 
Name:
Title:

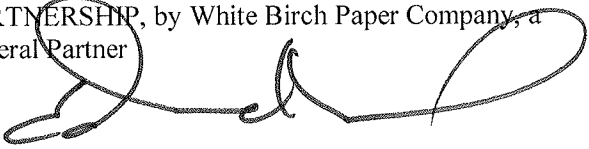
STADACONA L.P., by White Birch Paper Company, a
General Partner

By: 
Name:
Title:

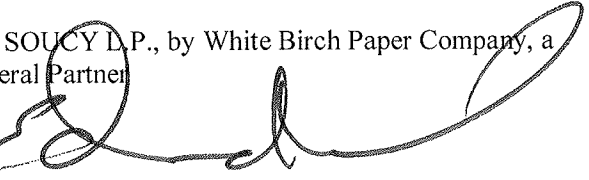
F.F. SOUCY GENERAL PARTNER INC.

By: 
Name:
Title:

F.F. SOUCY, INC. & PARTNERS, LIMITED
PARTNERSHIP, by White Birch Paper Company, a
General Partner

By: 
Name:
Title:

F.F. SOUCY L.P., by White Birch Paper Company, a
General Partner

By: 
Name:
Title:

ARRIMAGE DE GROS CACOUNA INC.

By: 

Name:

Title:

PAPIER MASSON LTÉE

By: 

Name:

Title:

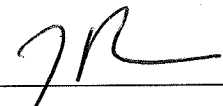
BEAR ISLAND PAPER COMPANY, L.L.C.

By: 

Name:

Title:

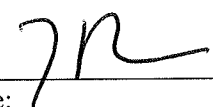
BD WHITE BIRCH INVESTMENT LLC

By: 

Name:

Title:

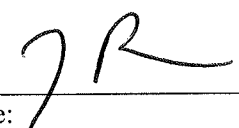
BEAR ISLAND PAPER WB LLC

By: 

Name:

Title:

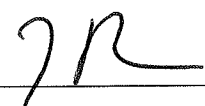
WB US TRADEMARK HOLDINGS LLC

By: 

Name:

Title:

WHITE BIRCH PAPER CANADA COMPANY

By: 

Name:

Title:

PAPIER MASSON WB LIMITED PARTNERSHIP, by
its general partner, PAPIER MASSON WB GENERAL
PARTNER LTD.

By: JR
Name:
Title:

PAPIER MASSON WB GENERAL PARTNER LTD.

By: JR
Name:
Title:

FF SOUCY WB LIMITED PARTNERSHIP, by its
general partner, FF SOUCY WB GENERAL PARTNER
LTD.

By: JR
Name:
Title:

FF SOUCY WB GENERAL PARTNER LTD.

By: JR
Name:
Title:

GROS CACOUNA STEVEDORING WB LP, by its
general partner, GROS CACOUNA STEVEDORING
WB GENERAL PARTNER LTD.

By: JR
Name:
Title:

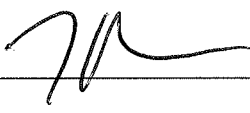
GROS CACOUNA STEVEDORING WB GENERAL
PARTNER LTD.

By: JR
Name:
Title:

STADACONA WB LIMITED PARTNERSHIP, by its
general partner, STADACONA WB GENERAL
PARTNER LTD.

By: 
Name: _____
Title: _____

STADACONA WB GENERAL PARTNER LTD.

By: 
Name: _____
Title: _____

WB CANADA TRADEMARK HOLDINGS LP, by its
general partner, WB CANADA TRADEMARK
HOLDINGS GENERAL PARTNER LTD.

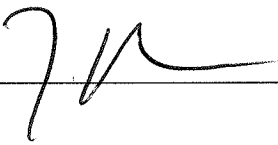
By: 
Name: _____
Title: _____

Exhibit A
White Birch Subsidiaries

- Stadacona General Partner Inc.
- Stadacona L.P.
- F.F. Soucy General Partner Inc.
- F.F. Soucy, Inc. & Partners, Limited Partnership
- F.F. Soucy L.P.
- Arrimage de Gros Cacouna Inc.
- Papier Masson Ltée.
- Bear Island Paper Company, L.L.C.

Exhibit B
Designated Purchasers

- Stadacona WB Limited Partnership
- Stadacona WB General Partner Ltd.
- F.F. Soucy WB Limited Partnership
- FF Soucy WB General Partner Ltd.
- Papier Masson WB Limited Partnership
- Papier Masson WB General Partner Ltd.
- Gros Cacouna Stevedoring WB Limited Partnership
- WB Canada Trademark Holdings Limited Partnership
- White Birch Paper Canada Company
- Bear Island Paper WB LLC
- WB US Trademark Holdings LLC

Exhibit C
PROMISSORY NOTE

September 13, 2012

TO: Ernst & Young Inc., in its capacity as the Monitor appointed in the CCAA Proceedings (as defined below) (the "**Monitor**")

For the purposes hereof:

1. the "**CCAA Proceedings**" are the proceedings pursuant to the *Companies' Creditors Arrangement Act* which commenced on February 24, 2010 when White Birch Paper Company along with certain affiliates in Canada (the "**Canadian Sellers**") filed an application for protection pursuant to the *Companies' Creditors Arrangement Act* in the Quebec Superior Court, District of Montreal.
2. the "**Designated Purchasers**" has the meaning set forth in that certain Asset Sale Agreement dated as of August 10, 2010 among Bear Island Paper Company, L.L.C, Canadian Sellers, and Purchaser (as amended, modified, superseded or substituted from time to time, the "**Purchase Agreement**").

FOR VALUE RECEIVED, the undersigned hereby unconditionally promises to pay on demand any time after 5 p.m. eastern September 17, 2012 to or to the order of Ernst & Young Inc. in its capacity as Monitor, the Canadian dollar equivalent of US\$99,000,000 based on the Bank of Canada daily noon spot rate on September 13, 2012).

No interest shall accrue on this note.

This note shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein (including the *Bills of Exchange Act*).

**BD White Birch Investment LLC, on
behalf of itself and all of the Designated
Purchasers**

By
:

Name: Dominique Belisle
Title: Authorized Representative