

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TERRACE BAY PULP INC.

Applicant

PUBLIC NOTICE

**NOTICE OF CLAIMS BAR DATE FOR CLAIMS AGAINST CERTAIN PARTIES
PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")**

NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Ontario Superior Court of Justice made on October 29, 2012 (the "**D&O Claims Procedure Order**"), a claims procedure was approved for the filing and determination of certain claims as defined in the D&O Claims Procedure Order (each, a "**D&O Claim**") of any Person against existing and/or former directors and officers of Terrace Bay Pulp Inc. (the "**Applicant**"). The D&O Claims Procedure Order should be referenced for all terms not defined in this notice and particulars of the Claims Procedure.

PLEASE TAKE NOTICE THAT THE CLAIMS PROCEDURE ONLY ADDRESSES CERTAIN CLAIMS. THE CLAIMS PROCEDURE DOES NOT ADDRESS OR REQUIRE THE FILING OF ANY CLAIMS AGAINST TERRACE BAY PULP INC. OR ANY CLAIM AGAINST A DIRECTOR OR OFFICER THAT IS NOT DEFINED AS A D&O CLAIM IN THE D&O CLAIMS PROCEDURE ORDER.

A D&O Claim includes existing or future rights and claims against one or more of Directors and Officers in their capacity as such referable to the period following January 25, 2012.

THE CLAIMS BAR DATE IS 5:00 P.M. (TORONTO TIME) ON DECEMBER 10, 2012. PROOFS OF D&O CLAIM RELATING TO D&O CLAIMS AGAINST DIRECTORS AND/OR OFFICERS MUST BE FILED WITH THE MONITOR ON OR BEFORE THE CLAIMS BAR DATE, FAILING WHICH ALL SUCH D&O CLAIMS WILL BE BARRED AND FOREVER EXTINGUISHED, RELEASED AND DISCHARGED.

The Monitor will send a Claims Package to persons referenced in the D&O Claims Procedure Order as a Notice Party in accordance with the D&O Claims Procedure Order. Persons requiring information regarding the Claims Procedure or claim documentation may contact Ernst & Young Inc., the court-appointed Monitor of the Applicant, by facsimile to the attention of Naomi Lieberman, at: (416) 943-3300, or by contacting the Monitor by email at: terracebay@ca.ey.com or by phone at (855) 248-2569. A copy of the D&O Claims Procedure Order and forms for the Claims Procedure are available on the Monitor's website at: www.ey.com/ca/terracebay