the Purchasers, in their sole and absolute discretion, shall have the right to (A) reduce the aggregate of the Purchase Price and the Partnership Interests Acquisition Price by US$[redacted] such reduction to be applied in proportion to the amount of Losses related to the Purchased Assets and to the U.S. Applicants, and the Threshold Conditions shall be deemed to have been satisfied, or (B) terminate this Agreement pursuant to Section 14.01(b).

(b) For the purpose of Section 11.04(a)(i), (ii) and (iii) above:

(i) the Losses in respect of any event that causes the failure to meet any of the Threshold Conditions shall only be included in calculating the amount of any Losses pursuant to such subsections if the Losses in respect of such event exceed US$[redacted] and, in such case, the full amount of all such Losses shall be included;

(ii) there shall be excluded from the amount of any Losses calculated pursuant to such subsections an amount equal to any insurance proceeds actually received by any Purchaser or any of the U.S. Applicants on or before Closing from the Vendors or to be received after Closing (appropriately reduced to take into account the likelihood of receipt, historical recovery levels of insurance proceeds from insurance claims made by insureds in the timber industry, and discount for future receipt by any of them) in respect of any event that causes the failure to meet any of the Threshold Conditions and such insurance proceeds shall be remitted by the Vendors to the Purchasers or the U.S. Applicants; and

(iii) in the event the same event causes the failure to meet more than one of the Threshold Conditions, the amount of Losses in respect of such event shall only be included once in calculating the amount of any Losses pursuant to such subsections.

Despite any other provision of this Agreement, there shall be no other consequence to any inaccuracy of one or more representations or warranties by one or more of the Grant Entities; provided that nothing herein shall diminish or impact the Closing conditions in Section 11.01 (other than Sections 11.01(a) and 11.01(j)).

(c) On the third (3rd) Business Day following the delivery of the notice referred to in Section 12.01 with respect to the Major Conditions Satisfaction Date, the Vendors shall provide to the Purchasers written notice of the status of each Threshold Condition that shall identify with specificity each inaccuracy of a representation and warranty by a Grant Entity. Within five (5) Business Days after receiving such written notice from the Vendors (or, in any event, within five (5) Business Days following the Major Conditions Satisfaction Date), the Purchasers shall if there are inaccuracies in any representation or warranty as identified to it above or as the Purchasers may otherwise identify, submit in writing a good faith calculation of the Losses (the "**Losses Statement**") to the Vendors, explaining in reasonable detail the basis for the calculation of the Losses. If the Vendors do not object in writing to the Purchasers within five (5) Business Days following receipt of the Losses Statement, the calculation of Losses set forth by the Purchasers shall be final and binding upon the Parties. In the event the Vendors do object in writing (which writing shall disclose the Vendors' reasons for objecting) to the Purchasers within five (5) Business Days following receipt of the Losses Statement, the following procedures shall apply. The Purchasers and the Vendors shall first endeavour to resolve any such objections and reach a mutually acceptable agreement on the Losses Statement within two (2) Business Days after the Vendor submits its written objections to the Losses Statement to the Purchasers. If the Purchasers and the Vendors cannot come to a mutually acceptable agreement on the calculation of the Losses within such two (2) Business Day period, the Purchasers and the Vendors shall promptly submit the Losses Statement and the Vendors' previously submitted written objections to the Financial Services Group of Deloitte LLP (the "**Neutral Third Party**"), who will promptly and in any event within thirty (30) days after receipt of the Losses Statement and the Vendors' previously submitted written objections shall determine all disputed amounts on the Losses Statement in accordance with the provisions of this Agreement. The Neutral Third Party may request additional supporting documentation or testimony from the Parties in his or her sole discretion. A Party may provide additional material to the Neutral Third Party within ten (10) days after its appointment. The determinations with respect to the disputed amounts on the Losses Statement made by the Neutral Third Party shall be deemed final and binding on all Parties and all Parties explicitly waive any right to appeal the determination of the Neutral Third Party for any reason whatsoever. The procedures set forth in this Section 11.04(c) provide the exclusive and sole means of dispute resolution among the Parties related to the disputed amounts on the Losses Statement and, to the fullest extent permitted by law, each Party irrevocably and unconditionally waives trial by jury in any action, suit, or proceeding relating to a dispute arising from or relating to the disputed amounts on the Losses Statement. The Purchasers, on the one hand, and the Vendors, on the other hand, shall each bear one-half of the fees and expenses of the Neutral Third Party acting hereunder with respect to the disputed amounts on the Losses Statement.

(d) Notwithstanding the foregoing, the Parties agree that all other Closing conditions must be satisfied or waived (if waivable) as set forth in this **Article 11**, regardless of whether all Threshold Conditions are met, as a condition to the Parties' obligation to consummate the transactions contemplated hereby.

ARTICLE 12
CLOSING

Section 12.01 Closing Date and Place of Closing

The Vendors shall deliver to the Purchasers notice that the Major Conditions Satisfaction Date has occurred promptly after the Vendors become aware that the Major Conditions Satisfaction Date has occurred. Such notice shall propose the Closing Date (which shall be a Business Day not earlier than ten (10) Business Days and not later than thirty (30) Business Days after the Major Conditions Satisfaction Date). In the event that the Threshold Conditions are not satisfied, the Closing Date proposed in such notice shall be extended until the third (3^{rd}) Business Day after the total amount of the Losses has been determined by the Neutral Third Party in accordance with Section 11.04. The Closing Date, as used in this Agreement, shall be such proposed date (provided that such Closing Date may be extended by the written agreement of all Parties to this Agreement) and provided the Closing Date shall occur by the twentieth (20^{th}) Business Day following the date on which all Closing Conditions set forth in **Article 11** have been satisfied or waived by the appropriate Party in writing, or at such other time as the Parties hereto may agree in writing. The transactions contemplated by this Agreement shall close and be completed on the Closing Date. The completion of the transactions contemplated hereunder shall take place at the offices of Fraser Milner Casgrain LLP located at 100 King Street West, Suite 4200, Toronto, Ontario M5X 1B2 or such other location as the Parties may agree in writing. As of the date hereof, the

Parties reasonably expect that the Closing Date will be on approximately March 31, 2010, but the Parties acknowledge and agree that the Closing shall take place pursuant to the terms of this Agreement and only after the Conditions to Closing set forth in **Article 11** have been met or waived, to the extent such waiver is permitted by this Agreement.

Section 12.02 Closing Transactions

At Closing and as part of Closing, the following transactions shall be completed simultaneously pursuant to the terms hereof:

(a) an agreement by Grant Forest Products Inc. and Grant Alberta Inc. which amends the Partnership Agreement to effect admission to the Grant Partnership of the U.S. Purchaser and the Additional U.S. Purchaser, to effect withdrawal from the Grant Partnership of Grant Forest Products Inc. and Grant Alberta Inc. and to effect the surrender and cancellation of the Vendors' Partnership Interests and the issue of the Purchasers' Partnership Interests in the form attached hereto as **Exhibit A** (the "**Amended and Restated Partnership Agreement**");

(b) the U.S. Purchaser and the Additional U.S. Purchaser shall be admitted as partners of the Grant Partnership and Grant Forest Products Inc. and Grant Alberta Inc. shall withdraw as partners of the Grant Partnership pursuant to the Amended and Restated Partnership Agreement;

(c) Grant Forest Products Inc. and Grant Alberta Inc. shall surrender the Vendors' Partnership Interests to the Grant Partnership, and they shall be cancelled pursuant to the Amended and Restated Partnership Agreement;

(d) the Grant Partnership shall issue pursuant to the Amended and Restated Partnership Agreement:

  (i) 99.99% of the Purchasers' Partnership Interests to the U.S. Purchaser; and

  (ii) 0.01% of the Purchasers' Partnership Interests to the Additional U.S. Purchaser; and

(e) the Vendors shall transfer the Purchased Assets to the Canadian Purchaser.

Section 12.03 Deliveries on Closing by the Vendors

The Vendors shall deliver to the Purchasers at the Time of Closing:

(a) the officers certificates by the Vendors described in Section 11.01(a) (listing any inaccuracies of any representations and warranties referred to in Section 11.01(a)) and in Section 11.01(b);

(b) a copy of the Canadian Order in the form of a Final Order (unless Purchasers, in their sole and absolute discretion, waive the Final Order requirement);

(c) a bill of sale by each Vendor conveying the Vendor's tangible Purchased Assets to the Canadian Purchaser, in the form attached hereto as **Exhibit K**;

(d) an assignment by each Vendor of such Vendor's Contracts, Accounts Receivable, Causes of Action, Shares, Equipment Operating Leases, Vendor Intellectual Property, Prepaid Expenses, Goodwill, Permits, Licences and Deposits (other than Excluded Permits), Uniform Product Code Symbols, and assets of the Pension Plan for the Hourly Employees of Grant Forest Products Inc. – Englehart Plant (Reg. #1013044), in the form attached hereto as **Exhibit L**;

(e) an assignment and assumption agreement in respect of the Assumed Liabilities, in the form attached hereto as **Exhibit M** (the "**Assignment and Assumption Agreement**");

(f) the Required Consents except for such Required Consents not required pursuant to Section 10.09;

(g) to the extent available, the estoppel confirmations referred to in Section 10.07 in respect of the Contracts, the Equipment Operating Leases and the Permits, Licenses and Deposits of the Vendors set out on **Schedule 14**;

(h) the documents included on **Schedule 15** and all other documents reasonably required by the Parties to transfer the Real Property to the Canadian Purchaser;

(i) documents reflecting the transfer by the Vendors of their Insurance Policies listed on **Schedule 2** exclusively to such Affiliates of the Purchasers as the Purchasers may direct in form and substance satisfactory to the Purchasers, acting reasonably;

(j) documents reflecting the Grant Entities' (except the U.S. Applicants) agreement not to make after Closing any claim against any Insurance Policy included in the Purchased Assets, and relinquishment of all the Grant Entities' (except the U.S. Applicants) rights and interests under the Insurance Policies listed on **Schedule 2** in form and substance satisfactory to the Purchasers, acting reasonably;

(k) documents evidencing Grant Entities' notice to all applicable insurers as required by Section 12.08(b) in form and substance satisfactory to the Purchasers, acting reasonably;

(l) documents reflecting the insurers' consent for the Grant Entities to transfer (as set forth in Section 12.03(i)) and relinquish (as set forth in Section 12.03(j)) their rights to the Insurance Policies listed on **Schedule 2** in such form as the Purchaser may agree, acting reasonably;

(m) the duly executed Release and Discharge Agreement signed by the Parties thereto;

(n) the duly executed Release Agreement in the form attached hereto as **Exhibit D** from each Vendor;

(o) evidence in form and substance satisfactory to the Canadian Purchaser, acting reasonably, of the payment by the Vendors of all amounts due and payable prior to the Closing Date of amounts, the payment of which is secured by Priority Liens and Claims;

(p) delivery of Books and Records related to the Purchased Assets;

(q) the duly executed copy of the Amended and Restated Partnership Agreement and all other documents reasonably required to effect the transactions set forth in Section 12.02;

(r) the delivery by the Monitor to the Purchasers of the duly executed Monitor's Certificate;

(s) a certificate pursuant to sections 1.1445-2(b)(2) of the United States Treasury Regulations, signed by an officer of Grant U.S. Holdings GP, and dated as of the Closing Date, certifying in a form attached hereto as **Schedule 12.03(s)** that, to the best of such officer's knowledge and belief, Grant U.S. Holdings GP is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code); and

(t) delivery of the Affirmation Agreement.

Section 12.04 **Deliveries on Closing by the Grant Partnership**

The Grant Partnership shall deliver to the U.S. Purchaser and the Additional U.S. Purchaser at the Time of Closing:

(a) a duly executed copy of the Amended and Restated Partnership Agreement and all other documents reasonably required to effect the transactions set forth in Section 12.02;

(b) an authorized officer's certificate by an officer of Grant Forest Products Inc. that the Vendors' Partnership Interests were surrendered by Grant Forest Products Inc. and Grant Alberta Inc. and cancelled;

(c) the officers certificates by the Vendors and of the partners of the Grant Partnership described in Section 11.01(a) (listing any inaccuracies of any representations and warranties referred to in Section 11.01(a)) and in Section 11.01(b);

(d) the Required Consents except for such Required Consents not required pursuant to Section 10.09;

(e) to the extent available the estoppel confirmations referred to in Section 10.07 in respect of the Contracts, the Equipment Operating Leases and the Permits, Licenses and Deposits of the U.S. Applicants set out on **Schedule 14**;

(f) the documents included on **Schedule 15** and all other documents reasonably required by the Parties to obtain an owner's policy of title insurance for the Real Property;

(g) the duly executed Release and Discharge Agreements;

(h) delivery, at the premises of Grant Allendale LP, of Books and Records of the U.S. Applicants;

(i) a copy of the U.S. Order, in the form of a Final Order (unless Purchasers, in their sole and absolute discretion, waive the Final Order requirement);

(j) the delivery by the Monitor to the Purchasers of the duly executed Monitor's Certificate; and

(k) such other documents by the U.S. Applicants as are required by this Agreement.

Section 12.05 Deliveries on Closing by the Canadian Purchaser

The Canadian Purchaser shall pay to the Monitor the following amounts and deliver to the Vendors the following documents at the Time of Closing:

(a) the Purchase Price to be paid by the Canadian Purchaser in accordance with Section 5.02 and Section 12.07;

(b) the RST purchase exemption certificate or certificates;

(c) any Transfer Taxes to be collected by the Vendors (or any of them) pursuant to Section 5.04 and Section 12.07;

(d) the certificate by the Canadian Purchaser referred to in Section 11.02(a) and (b);

(e) the Bill of Sale described in Section 12.03(c);

(f) the Assignment Agreement described in Section 12.03(d);

(g) the Assignment and Assumption Agreement described in Section 12.03(e); and

(h) such other documents by the Canadian Purchaser as are required by this Agreement.

Section 12.06 Deliveries on Closing by the U.S. Purchaser and the Additional U.S. Purchaser

The U.S. Purchaser and the Additional U.S. Purchaser shall pay to the Monitor the following amounts and deliver to the Vendors the following documents at the Time of Closing:

(a) the Partnership Interests Acquisition Price in accordance with Section 6.02 and Section 12.07;

(b) the certificates by the U.S. Purchaser and the Additional U.S. Purchaser referred to in Section 11.03(a) and Section 11.03(b);

(c) duly executed copies of Amended and Restated Partnership Agreement; and

(d) such other documents by the U.S. Purchaser and the Additional U.S. Purchaser as are required by this Agreement.

Section 12.07 Payment Mechanics and Delivery of Monitor's Certificate

When each Party has advised the others that it is satisfied with the documents delivered to it on or before the Closing Date, the Purchasers and Vendors shall deliver to the Monitor written confirmation that the conditions to the Closing set out in **Article 11 and in Sections 12.01 to 12.07 of Article 12** have been satisfied or waived following which the Monitor shall deliver an executed copy of the Monitor's Certificate to the Purchasers' counsel in escrow upon the sole condition of receipt by the Monitor of the amounts referred to in Section 12.05(a), Section 12.05(c), Section 12.06(a), and the amounts payable to the Escrow Agent pursuant to Section 5.02(a), Section 5.02(b), and Section 5.02(c). All of the foregoing amounts shall then be paid by the Purchasers, by wire transfer of immediately available funds to an account designated in writing by the Monitor for this purpose pursuant to Sections 5.02(d) and 6.02 hereof. Following receipt by the Monitor of such funds, the Monitor's Certificate shall be released from escrow to the Purchasers. Upon such delivery, the Closing shall be deemed to have occurred. The

Monitor shall file a copy of the Monitor's Certificate with the CCAA Court and provide evidence of such filing to the Purchasers.

Section 12.08 Risk and Insurance

(a) The risk of loss of the Purchased Assets and the assets of the U.S. Applicants shall remain with the Vendors and the U.S. Applicants respectively until Closing. If any condemnation, destruction or loss of the Purchased Assets or the assets of the U.S. Applicants occurs before the Closing Date and if:

(i) such condemnation, destruction or loss does not constitute a Material Adverse Change in the Businesses of the Grant Entities taken as a whole, the Parties shall complete the transactions, subject to the other provisions of this Agreement and any insurance or condemnation proceeds shall be paid or payable to the Purchasers on or following the Closing;

(ii) such condemnation, destruction or loss does constitute a Material Adverse Change in the Businesses of the Grant Entities taken as a whole, but the Purchasers forego the right to terminate this Agreement pursuant to Section 11.01(j) (Material Adverse Change) and **Article 14** (Termination), the Parties shall complete the transactions, subject to the other provisions of this Agreement and any insurance or condemnation proceeds shall be paid or payable to the Purchasers following the Closing; or

(iii) such condemnation, destruction or loss results in the failure to satisfy any of the Threshold Conditions, the provisions of Section 11.04 shall apply.

(b) Any property insurance, liability insurance and other insurance maintained by the Vendors (other than the Vendors' Insurance Policies listed in **Schedule 2**) shall not be transferred and shall remain the responsibility of the Vendors before, on and after the Time of Closing. The Insurance Policies listed on **Schedule 2** shall be transferred to the Purchasers or their Affiliates as of the Closing Date as provided in Section 12.03 and all Grant Entities except the U.S. Applicants shall relinquish all rights thereto (Section 12.03(j)), and shall provide notice to each insurer of all prior known potential claims (Section 12.03(k)). The Grant Entities shall request the applicable insurers to confirm that any such transfer shall not impair in any manner any U.S. Applicants' status as insureds under any such policies and/or any U.S. Applicants' and/or Purchasers' rights to pursue coverage under those policies pursuant to their status as insureds. No Grant Entity except the U.S. Applicants shall after Closing pursue coverage under any transferred policy to benefit an entity other than the Purchasers, any of their Affiliates, and/or any of the U.S. Applicants. The Grant Entities shall request from each insurer consent to the transfer of the policies listed on **Schedule 2** to Purchasers except insofar as the U.S. Applicants shall remain insureds under said policies and the Grant Entities shall request from each insurer confirmation that such policies have been transferred exclusively to Purchasers, or any of their Affiliates as described in this Section 12.08.

Section 12.09 Employees of Grant Forest Products Inc.

The Canadian Purchaser or an Affiliate shall, as of the Closing, offer employment to substantially all manufacturing salaried employees of Grant Forest Products Inc. employed by Grant Forest Products Inc. as at the Closing at the Englehart or Earlton facilities as identified on **Schedule 16** attached hereto in accordance with Georgia-Pacific LLC's standard terms and conditions. The Vendors shall use commercially reasonable efforts and actively cooperate with the Canadian Purchaser in its efforts to employ such employees and shall provide all relevant information about the terms of employment of the employees as the Canadian Purchaser may reasonably request provided that the Vendors shall not incur any financial costs in respect thereof. The Canadian Purchaser shall at the Time of Closing become a successor employer in respect of the collective agreement between Grant Forest Products Inc. and the Communications, Energy and Paperworkers Union of Canada in respect of the Englehart facility. Each of the Vendors shall, prior to the Closing, continue to pay to their respective employees in accordance with the Vendors' past practices for payment of employee payroll, all such wages and vacation pay earned by such employees to and including the Closing Date, provided that all wages, vacation pay and other amounts accruing on or prior to the Closing Date and owing to each employee to be hired by the Canadian Purchaser with reference to the period prior to the Closing shall be secured by the terms of the Other Payables Escrow Agreement. Vendors shall take all necessary action to transfer the assets and liabilities of the Pension Plan for the Hourly Employees of Grant Forest Products Inc. – Englehart Plant to the Canadian Purchaser. The Canadian Purchaser shall at the Time of Closing replace Grant Forest Products Inc. as sponsor and administrator of the Pension Plan for the Hourly Employees of Grant Forest Products Inc. – Englehart Plant (Reg. # 1013044) but not as sponsor and administrator of any other pension plan.

Section 12.10 Possession

The Canadian Purchaser shall be entitled to possession of the tangible Purchased Assets and the U.S. Applicants shall be entitled to possession of the tangible assets of the U.S. Applicants on and after the Closing. The Vendors shall cause to be delivered to the Canadian Purchaser at the Time of Closing such keys, locks and safe combinations and other similar items as the Canadian Purchaser may require to obtain immediate and full occupation and control of the Purchased Assets. The Vendors shall cause to be delivered to the U.S. Purchaser or the U.S. Applicants on Closing such keys, locks and safe combinations and other similar items as the U.S. Purchaser or the U.S. Applicants may require to obtain immediate and full occupation of the U.S. Applicants' Real Property and control of the assets of U.S. Applicants.

ARTICLE 13
PURCHASE PRICE ADJUSTMENTS FOR GROUP WORKING CAPITAL AMOUNT

Section 13.01 Adjustments for the Group Working Capital Amount

[redacted]

[redacted]

Section 13.02 Reduction of Purchase Price Paid on Closing

[redacted]

Section 13.03 Increase in Purchase Price Paid on Closing

[redacted]

Section 13.04 Working Capital Escrow

[redacted]

Section 13.05 Price Adjustments After Closing and Release of Working Capital Escrow

[redacted]

[redacted]

Section 13.06 Determination of Group Working Capital Amount

[redacted]

Section 13.07 Disputes

[redacted]

[redacted]

Section 13.08 <u>Allocation of Adjustment between Purchase Price and Partnership Interests Acquisition Price.</u>

[redacted]

ARTICLE 14
TERMINATION

Section 14.01 <u>Termination</u>

This Agreement may be terminated:

(a) by the mutual consent of the Purchasers, on one hand, and Vendors, on the other hand;

(b) by the Purchasers, if any condition in <u>Section 11.01</u> becomes impossible of performance or satisfaction or has not on Closing been satisfied in full (in any case, other than as a result of a breach or default by any Purchaser in the performance of its obligations hereunder) unless:

(i) such condition is deemed to be satisfied by Section 11.04(a); or

(ii) such condition is waivable pursuant to <u>Section 11.01</u>, and has been waived by Purchasers in writing at or prior to the Closing Date;

(c) by Vendors if any condition in <u>Section 11.02</u> or <u>Section 11.03</u> becomes impossible of performance or has not on Closing been satisfied in full (in either case other than as a result of a default by any Grant Entity in the performance of its obligations hereunder) and the performance of such condition has not been waived by Vendors in writing at or prior to the Closing Date (if such condition is waivable pursuant to <u>Section 11.02</u> or <u>Section 11.03</u>);

(d) by the Purchasers or Vendors (other than a Party that is then in default of its obligations under this Agreement) if the Closing shall not have occurred on or before the later of (i) June 30, 2010, and (ii) if there is on June 30, 2010 a procedure in progress for the determination of Losses, the tenth (10th) Business Day following the date on which the determination of any Losses pursuant to <u>Section 11.04</u> is completed; or

(e) by the Purchasers, upon termination of the Consent Agreement.

Section 14.02 <u>Effect of Termination</u>

As to any damages of either Party arising from the effect of termination or abandonment of this Agreement by the other Party, such Party is entitled to pursue its rights or remedies against the other Party to the extent such rights or remedies may be available at law or in equity. Despite the foregoing, none of the Purchasers shall have any claim in damages against any of the Grant Entities for any inaccuracy or breach of any representation or warranty set forth in Article 7 or Article 8 made by any of the Grant Entities.

ARTICLE 15
MISCELLANEOUS

Section 15.01 Confidentiality; Public Announcements; Government Dealings

(a) If, for any reason, the transactions contemplated by this Agreement are not completed, each of the Purchasers hereby agrees to abide by the terms of the Original Confidentiality Agreement as if it were a party thereto in place of Georgia-Pacific LLC.

(b) Upon the Closing, the Original Confidentiality Agreement shall terminate, and (i) Purchasers shall treat and hold as confidential any information related solely to the Excluded Assets (the "**Grant Confidential Information**"), and (ii) the Vendors and their Affiliates shall treat and hold as confidential any information related to the Purchasers or concerning the Purchased Assets, the U.S. Applicants or the Assumed Liabilities (the "**Purchaser Confidential Information**"). The terms "Grant Confidential Information" and "Purchaser Confidential Information" do not include any information which (i) was prior to execution of the Original Confidentiality Agreement already the possession of the receiving party, provided that such information is not known by the receiving party, without inquiry, to be subject to another confidentiality agreement with or other obligation of secrecy to the furnishing party or another party, or (ii) since execution of the Original Confidentiality Agreement became available to the public other than as a result of a disclosure by the receiving party or its Representatives in breach of the Original Confidentiality Agreement or this Section 15.01, or (iii) since execution of the Original Confidentiality Agreement became available to the receiving party on a non-confidential basis from a source other than the furnishing party or its advisors, provided that the source is not known by the receiving party, without inquiry, to be bound by a confidentiality agreement with or other obligation of secrecy to the furnishing party or another party, or (iv) is developed by or for the receiving party without reference to the information disclosed pursuant to the Original Confidentiality Agreement.

(c) Each Party agrees that, as applicable, the Grant Confidential Information or Purchaser Confidential Information shall be used by it solely for the purpose of this Agreement and the transaction contemplated herein and shall be kept confidential by it; provided, however, that (i) any of such information may be disclosed to a receiving party and its Subsidiaries' and Affiliates' Representatives who need to know such information for the purpose of this Agreement and the transaction contemplated herein (it being understood that such Representatives shall be informed by the receiving party of the confidential nature of such information and shall be directed by the receiving to treat such information confidentially), (ii) any disclosure of such information by a receiving party may be made to which the furnishing party consents in writing, and (iii) disclosure may be made by a receiving party to the extent required by law, regulation or administrative or legal process; provided that if a receiving party or any of its Representatives become so compelled to disclose any Grant Confidential Information or Purchaser Confidential Information, then, if permitted, such receiving party will provide the furnishing party with prompt written notice thereof and cooperate with the furnishing party, to the extent the furnishing party reasonably requests, so that the furnishing party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 15.01. Should the receiving party furnish any material in accordance with the stipulations set out above, to the extent permitted by Law or Governmental Authority, the receiving party will give the furnishing party written notice of the information to be disclosed as far in advance of its disclosure as practicable and use commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such information. Each Party will be responsible for any breach of this Section 15.01 by any of its Representatives; provided that it shall not be responsible for a breach by any Representative that has executed a separate confidentiality agreement with the furnishing party.

(d) Upon written request of the furnishing party at any time, the receiving party shall promptly, at the receiving party's option, either return to the furnishing party or destroy, as applicable, all Grant Confidential Information or Purchaser Confidential Information and any other written material containing or reflecting any information in the Grant Confidential Information or Purchaser Confidential Information, as applicable, (whether prepared by the furnishing party, its advisors or otherwise) and will not retain any copies, extracts or other reproductions in whole or in part or such written material. All documents, memoranda, notes and other writings (including information stored in electronic form) whatsoever prepared by the receiving party or its advisors based on the information in the Grant Confidential Information or Purchaser Confidential Information, as applicable, shall be destroyed (in the case or information stored in electronic form, permanently erased) (to the extent technologically feasible after commercially reasonable efforts). Any such destruction (and erasure) described in the prior two sentences shall be certified in writing to the furnishing party by an authorized officer supervising such destruction. Notwithstanding the foregoing, the receiving party may retain copies of, as applicable, the Grant Confidential Information or the Purchaser Confidential Information, to the extent that such retention is required to demonstrate compliance with applicable Law, regulation, Order or professional standards, or, in the case of the Grant Entities, to complete their CCAA Proceeding or their distribution to creditors provided, however, that any such information so retained shall be held only by the receiving party's internal counsel and in compliance with the terms of this Section 15.01. Notwithstanding the return, destruction or retention of, as applicable, the Grant Confidential Information or Purchaser Confidential Information, all parties and their Representatives will continue to be bound by the obligations of confidentiality and other obligations under this Section 15.01. For the avoidance of doubt, as used in the immediately preceding sentence, the terms "Grant Confidential Information" and "Purchaser Confidential Information" shall include all information or materials the return, destruction or erasure of which would otherwise be required pursuant to this paragraph.

(e) Prior to and following the Closing, Vendors and the Purchasers will (other than in respect of Excluded Assets) consult with each other before issuing any press releases or otherwise making any public statements or filings with Governmental Authorities with respect to this Agreement or the transactions contemplated hereby and shall not issue any press releases or make any public statements or filings with Governmental Authorities prior to such consultation and shall modify any portion thereof if the other Party reasonably objects thereto, unless the same may be required by applicable Law, applicable stock exchange regulation or in filings in the CCAA Court or the U.S. Bankruptcy Court or office of the United States trustee.

Section 15.02 Certain Covenants and Obligations to Survive Closing; Other Covenants and Obligations and Certain Representations and Warranties

Notwithstanding the completion of the transactions contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the parties set out in **Article 1** (Interpretation) Section 3.03 (Assumption of Liabilities), Section 5.03 (Allocation of Purchase Price), Section 5.04 (Transfer Taxes), Section 10.06 (Maintenance of Books and Records; Access after Closing), Section 10.07(c) (Shared Contract), Section 10.08 (Consent Not Obtained by Vendors), Section 10.10 (Issue to the Canadian Purchaser of a Forest Resource Processing Facility License and Timber Supply Agreement; Release of Timber Escrow Amount), Section 10.11 (Trade and Employee Payables; Priority Liens and Claims), Section 10.18 (Names), Section 10.19 (Further Covenants), Section 10.20 (Post-Closing Cooperation), Section 10.21 (Payments of Amounts Owing under Assigned Contracts), Section 12.08 (Risk and Insurance), Section 12.09 (Employees of Grant Forest Products Inc.), Section 12.10 (Possession), **Article 13** (Purchase Price Adjustments For Group Working Capital Amount), **Article 15** (Miscellaneous), the Working Capital Escrow Agreement, the Other Payables Escrow Agreement and the Timber Escrow Agreement shall survive such completion and delivery, remain in full force and effect, and not merge on the Closing. All other obligations and covenants of the Parties hereto shall terminate on Closing and be of no further force or effect as of and following the Closing. All representations and warranties set forth in **Article 7**, **Article 8** and **Article 9** of the Parties hereto shall terminate on Closing and be of no further force and effect as of and following Closing.

Section 15.03 Further Assurances

Each of the Parties hereto after the Time of Closing shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, certifications, matters, papers and assurances as may be reasonably requested to more effectually carry out the true intent and meaning of this Agreement and in order to vest more effectively in the Canadian Purchaser, or to put the Canadian Purchaser more fully in possession of, any of the Purchased Assets, or to better enable the Purchasers to pay, perform or satisfy any of the Assumed Liabilities. Each of the Parties hereto will, at the request of another Party and at the expense of the requesting Party, cooperate with the other and execute and deliver to the other Parties hereto such other instruments and documents and take such other actions as may be reasonably requested from time to time by any other Party hereto as necessary to carry out, evidence, and confirm the intended purposes of this Agreement.

Section 15.04 No Assignment by Purchasers

The Purchasers shall not, without the Vendors' prior written consent, assign any of their rights and obligations or interest in this Agreement except that the Purchasers may assign any right or interest or obligations in this Agreement to an Affiliate of Purchasers upon written notice to the Vendors, provided, however, that no such assignment shall relieve the Purchasers of their obligations hereunder.

Section 15.05 Time of the Essence

Time shall be of the essence of this Agreement.

Section 15.06 Costs and Expenses

Unless otherwise expressly provided by this Agreement including Section 10.01(c), each Party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein.

Section 15.07 Notices

Any notice, demand or other communication required or permitted to be given to any Party hereunder shall be given in writing and addressed as follows:

(a) in the case of the Vendors:

c/o Grant Forest Products Inc.
181 Bay St.
Suite 1520
Toronto, ON M5J 2T3

Attention: Peter Lynch
Facsimile No.: 416-214-1360

with a copy to the Monitor at the foregoing address

Ernst & Young Tower,
222 Bay Street, P. O. Box 251,
Toronto, ON M5K 1J7
Phone: +1 | Cell Phone: +1 416 606 2097 | Fax: +1

Attention: Daniel Sinclair
Facsimile No.: 416-943-3365

In the case of the Purchasers:

c/o Georgia-Pacific LLC
133 Peachtree Street NE
Atlanta, Georgia 30303

Attention: General Counsel
Facsimile No.: (404) 487-4329

with a copy to:

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

Attention: Janine Brown, Esq.
Facsimile No.: (404) 253-8352

and with a copy to:

Lang Michener LLP
181 Bay Street, Suite 2500
Toronto, Ontario M5J 2T7

Attention: Sheryl E. Seigel
Facsimile No.: (416) 365-1719

Any such notice shall be deemed to be sufficiently given if personally delivered or sent by facsimile and, in each case, shall be deemed to have been received by the other Party on the same day on which it was delivered or sent by facsimile, if such day is a Business Day and, if not, on the next following Business Day.

Section 15.08 Successors and Assigns

This Agreement shall be binding on, and enure to the benefit of, the Parties hereto and their respective successors and permitted assigns.

Section 15.09 Facsimile or PDF Execution and Counterparts

This Agreement may be executed by facsimile or pdf and in two or more counterparts with the same effect as if all Parties had signed the same document, and all such counterparts shall constitute one and the same agreement.

Section 15.10 Limitation on Claims by the Purchasers to Funds Held by the Monitor

Following delivery of the Monitor's Certificate to the Purchasers, despite any other provision of this Agreement or any other document related to this Agreement, none of the Purchasers shall make or have any claim to or against any amount paid by it (or by the other Purchasers) to the Monitor hereunder, except for:

(a) the Timber Escrow Amount;

(b) the Working Capital Escrow Amount; and

(c) the Other Payables Escrow Amount;.

With the exception of such funds referred to in subsections (a) through (c), and provided that the Monitor has delivered to the Purchasers the Monitor's Certificate, none of the Purchasers shall take any step to prevent or delay the distribution by the Monitor of any amount paid by it (or by the other Purchasers) to the Monitor hereunder to the applicable creditors of the Vendors or of the U.S. Applicants in accordance with an Order or Orders of the CCAA Court.

Section 15.11 Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties hereto and their respective successors and permitted assigns, and no Person, other than the Parties hereto and their respective successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

Section 15.12 Partial Invalidity

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable. To the extent the deemed deletion of the invalid, illegal or unenforceable provision or provisions is reasonably likely to have a Material Adverse Effect, the Parties shall endeavour in good faith to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as practicable to that of the invalid, illegal or unenforceable provisions.

Section 15.13 Planning Act

This Agreement shall be effective to create an interest in the Real Property only if the subdivision control provisions of the Planning Act (Ontario) or any successor or similar legislation and any similar legislation in other provinces are complied with by the Vendors on or before the Closing Date and the Vendors shall proceed diligently at their own expense to obtain any necessary consent on or before the Closing Date.

Section 15.14 Officers' Certificates

All certificates provided by an officer of any Party hereunder shall state that it is without personal liability.

Section 15.15 Sealing Order

Before the filing of this Agreement by the Canadian Applicants or the Monitor as evidence in the CCAA Court (other than with the Judge hearing the motion for the Canadian Order on the basis that a sealing order is being sought and that it is proposed that, pending such order being made, the Agreement be appended as a confidential appendix to the report of the Monitor in order that it is available for the review by the Court in advance of the hearing of the motion should it wish to do so), the Canadian Applicants shall request an order of the CCAA Court in the form of paragraph 30 of the Canadian Order, including, among other things, a declaration that this Agreement shall be treated as confidential and sealed from the public record until the time as provided in paragraph 30 of the Canadian Order and if an order in the form of paragraph 30 of the Canadian Order is not obtained then neither of the Canadian Applicants nor the Monitor shall file the Agreement with the Court without the consent of the Purchasers.

Section 15.16 Completion Guarantee and Indemnity

In consideration of the transactions referred to herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the U.S. Purchaser hereby irrevocably, absolutely and unconditionally guarantees to the Vendors and the Grant Partnership the performance by the Canadian Purchaser and the Additional U.S. Purchaser of their respective obligations under this Agreement and the U.S. Purchaser hereby agrees to indemnify and save harmless the Vendors and the Grant Partnership from and against any and all damages suffered by them (or any of them) as a result or in respect of the failure by the Canadian Purchaser and the Additional U.S. Purchaser (and either of them) to perform their (or its) respective obligations under this Agreement when required by this Agreement. This guarantee is a direct absolute unconditional irrevocable present and continuing guarantee of performance and payment and is a direct and primary obligation of the U.S. Purchaser. The Vendors and the Grant Partnership shall not be obligated to exhaust their recourse against the Canadian Purchaser or the Additional U.S. Purchaser before being entitled to performance or payment from the U.S. Purchaser of all and every of the obligations hereunder guaranteed. The obligations of the U.S. Purchaser under this Section 15.16 shall terminate on Closing and be of no further force or effect as of and following the Closing.

Section 15.17 Data Room Information

The requirements in this Agreement to the provision by the Vendors to the Purchasers of "true and correct" documentation or other lists or documents, such references being contained in Sections 7.01(b), 7.08(a), 7.11(a), 7.13, 7.14, 7.15, 7.17, 8.01, 8.03(a), 8.08, 8.11(a)(iii), 8.11(a)(iv), 8.12, 8.14, 8.15 and 8.16, shall be satisfied by the inclusion of such documentation and lists in the electronic data room provided and maintained by the Vendors in connection with the transactions contemplated by this Agreement, as such data room was constituted on December 23, 2009.

Section 15.18 Withholding Tax

The Purchasers shall not at Closing reduce any amount payable by any of them hereunder, including without limitation the Partnership Interests Acquisition Price, on account of any withholding taxes.

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto as at the date first written above.

THE U.S. PURCHASER
GEORGIA-PACIFIC LLC

Per: ______________________
Name: James B. Hannan
Title: President and Chief Executive Officer

THE CANADIAN PURCHASER
GP INTERNATIONAL ACQUISITION III, LTD.

Per: ______________________
Name: SCOTT OVERBAUGH
Title: DIRECTOR

THE ADDITIONAL U.S. PURCHASER
GP PALMETTO HOLDING LLC

Per: ______________________
Name: Tye G. Darland
Title Vice President

JM

GRANT FOREST PRODUCTS INC.

Per: ____________________
Name:
Title:

GRANT FOREST PRODUCTS SALES INC.

Per: ____________________
Name:
Title:

GRANT ALBERTA INC.

Per: ____________________
Name:
Title:

GRANT U.S. HOLDINGS GP by its general partners:
GRANT FOREST PRODUCTS INC.

Per: ____________________
Name:
Title:

-AND-

GRANT ALBERTA INC.

Per:
Name:
Title:

SOUTHEAST PROPERTIES LLC

Per:
Name:
Title:

GRANT NEWCO LLC

Per:
Name:
Title:

GRANT US SALES INC.

Per:
Name:
Title:

GRANT CLARENDON LP by its general partner:
GRANT NEWCO LLC

Per:
Name:
Title:

GRANT ALLENDALE LP by its general partner:
GRANT NEWCO LLC

Per:
Name:
Title:

GRANT EXCLUDED GP by its general partners:
GRANT ALLENDALE LP by its general partner:
GRANT NEWCO LLC

Per: ______________________
Name:
Title:

-AND-
GRANT CLARENDON LP by its general partner:
GRANT NEWCO LLC

Per: ______________________
Name:
Title:

EXHIBIT C

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

REPORT OF THE PROPOSED MONITOR DATED JUNE 24, 2009

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC#: 24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

5565862 v1

EXHIBIT A

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

REPORT OF THE PROPOSED MONITOR DATED JUNE 24, 2009

INTRODUCTION

1. Ernst & Young Inc. ("**EYI**") understands that Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP ("**U.S. Holdings**") (collectively "**Grant**" or the "**Applicants**") have brought a motion before this Honourable Court for an Initial Order under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants.

2. This is the first report of EYI, the Proposed Monitor in the Applicants' CCAA proceedings. EYI has consented to act as Monitor in these CCAA proceedings.

PURPOSE

3. The purpose of this report of the Proposed Monitor (the "**Report**") is to provide information to this Honourable Court on:

   i) Grant's operations and capital structure;

   ii) Grant's current liquidity position;

iii) Grant's decision to commence insolvency proceedings;

iv) an overview of Grant's 13 week cash flow forecast;

v) selected financial matters addressed in the Proposed Initial Order;

vi) restructuring alternatives and Grant's proposed marketing process; and

vii) conclusions and recommendations.

TERMS OF REFERENCE

4. In preparing this Report, EYI has been provided with and in making the comments herein relied upon, unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants, and discussions with management of the Applicants. EYI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, EYI expresses no opinion or other form of assurance in respect of such information contained in this Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

5. Unless otherwise stated all monetary amounts contained herein are expressed in U.S. Dollars.

6. Capitalized terms not defined in this Report are defined in the motion filed by Grant in connection with these CCAA proceedings.

7. EYI was retained by Grant on April 6, 2009, to assist it and its other professional advisors to analyse options available to refinance and restructure Grant's operations.

8. EYI does not act as auditor to Grant.

OVERVIEW

9. GFPI is a privately owned corporation carrying on an OSB manufacturing business and founded by Peter Grant Sr. A copy of the Organization Chart as attached as Exhibit "A" to the affidavit of Peter Lynch, who is the Executive Vice-President and Secretary of GFPI (the "**Lynch Affidavit**"), is reproduced as Appendix A to this Report.

10. The Applicants main product is Oriented Strand Board ("**OSB**"). OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from round wood logs and bonded with an exterior-type binder under heat and pressure. The finished product has similar properties to plywood and has replaced plywood in many environments, especially the North American structural panel market. The most common uses are sheathing in walls, floors, and roofs in the construction of buildings and residential housing.

11. The Applicants and certain of their subsidiaries or other related parties namely Southeast Properties LLC, Grant Newco LLC, Grant Clarendon LP, Grant Allendale LP, Grant Excluded FP, Grant U.S. Sales Inc. and Footner Forest Products Ltd. ("**Footner**") (collectively, the "**Subsidiaries**") have a total capacity to produce 3.7 billion square feet of OSB, which makes them the third largest OSB manufacturer in North America.

12. GFPI manufactures OSB in panels of varying lengths and thickness, as well as specialty products such as web stock, rim board, and oversized panels. The Applicants and the Subsidiaries have interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta. The Applicants and their Subsidiaries also have interests in the Allendale and Clarendon mills

located in South Carolina in the United States. The mills located in Englehart and Timmins in Ontario are owned by GFPI, and as such, they are included in Grant's CCAA proceedings. GFPI also has a 50% interest in a mill located at High Level in Alberta. This mill is held by Footner as bare trustee and GFPI owns 50% of the shares of Footner. The Allendale and Clarendon mills in South Carolina are owned by Grant Allendale LP and Grant Clarendon LP respectively, which are 99.9% owned by Southeast Properties LLC, but these mills are indirectly owned by GFPI. Accordingly, the following GFPI Subsidiary entities are not filing under the CCAA proceedings:

- Southeast Properties LLC;
- Grant Newco LLC;
- Grant Clarendon LP;
- Grant Allendale LP;
- Grant Excluded FP;
- Footner Forest Products Ltd; and
- Grant U.S. Sales Inc.

13. As a result of the present market conditions and the reduced demand for OSB and other wood products, only two of the OSB mills, owned directly or indirectly by GFPI located in Englehart, Ontario and Allendale, South Carolina, are presently operating. Both the mill in Timmins, Ontario and the mill in High Level, Alberta are idle. The mill in Clarendon, South Carolina is a new mill which is substantially complete but has not yet been put into production.

14. The Monitor has been advised that the Applicants continue to face significant economic challenges as a result of the continued depressed level of construction of new homes in the United States Market. As has been widely reported, the North American economy continues to contract, resulting in job losses and reduced buying power of businesses and consumers. The OSB market is significantly lower than historic norms and the continued downturn in the United

States housing market has adversely affected this Industry. These factors have resulted in a continuing challenging environment for most forest products companies in North America. There have been a large number of mill closures announced in the industry to attempt to better match production with market demand.

15. A further significant factor contributing to the challenging market conditions in the forest products sector is the rapid rise of the Canadian dollar relative to the U.S. dollar. The Applicants have significant operations in Canada but sell a majority of their products to customers in the United States.

16. The primary trade creditors of GFPI are log suppliers, log transportation providers and resin and wax suppliers. As discussed in the Lynch Affidavit, the approximate total amount owing by all the Applicants to their respective trade creditors as at May 31, 2009 is approximately US$ 0.8 million and CDN$ 3.3 million. In addition, there is approximately CDN$2.4 million owing to creditors that is accrued but not billed.

17. As of March 31, 2009, the Applicants had approximately 253 active employees including 122 unionized employees employed by GFPI. The number of active employees would have been significantly higher if all of the mills of the Applicants were in operation and these mills were running at their optimum capacity.

GRANT'S CAPITAL STRUCTURE

18. GFPI has total funded debt obligations of approximately $549 million in two levels of primary secured debt. The total debt obligations are comprised of the following facilities:

i) The Toronto-Dominion Bank ("**TD**") and a related entity, Toronto Dominion (Texas) LLC ("**TD Texas**") are agents (collectively, the "**First Lien Lenders' Agents**") for the first lien lenders (the "**First Lien Lenders**") which, as at May 31, 2009, were owed the principal amount of approximately $399 million plus accrued interest pursuant to a credit agreement dated as of October 26, 2005, as amended by an agreement dated as of March 21, 2007 (the "**First Lien Credit Agreement**").

ii) EYI understands that the Bank of New York Mellon ("**BNY**") is the agent for the second lien lenders (the "**Second Lien Lenders**") which, as at May 31, 2009, were owed the principal amount of approximately $150 million plus accrued interest pursuant to a credit agreement dated as of March 21, 2007, as amended by an agreement dated as of April 30, 2009 (the "**Second Lien Credit Agreement**").

iii) Grant is in default under both the First Lien Credit Agreement and the Second Lien Credit Agreement.

19. The Proposed Monitor has not completed any review of these credit facilities. The Proposed Monitor has based its report on the assumption that all such agreements are valid and enforceable in accordance with their terms.

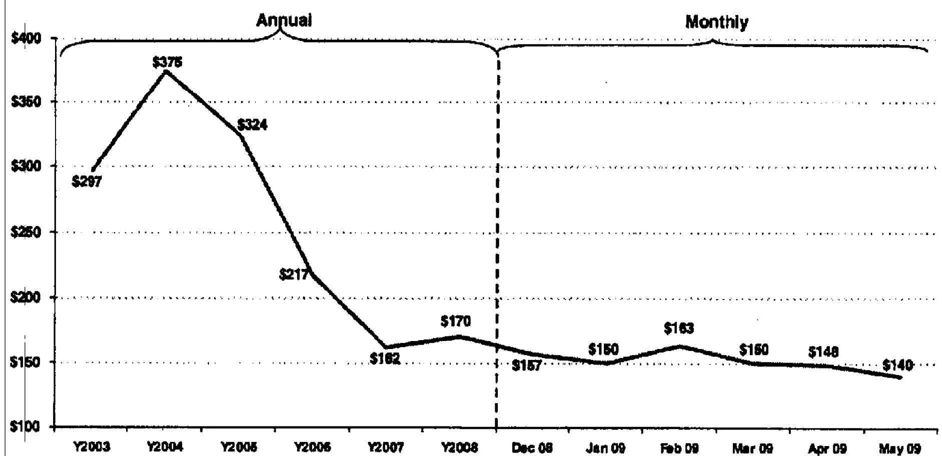
CURRENT LIQUIDITY POSITION

20. The prices for OSB have decreased significantly since 2005 and the annual consolidated sales of GFPI have accordingly also decreased substantially from approximately $506 million in 2004 to approximately $184 million in 2008. As described in the Lynch Affidavit, in its 2007 and 2008 fiscal years, GFPI incurred consolidated losses of approximately CDN$36 million and CDN$216 million, respectively. In addition, the Applicants and their Subsidiaries incurred total capital expenditures of approximately $650 million from 2005 to 2008. These were primarily related to the construction of the Allendale and Clarendon mills and the updating of the Englehart and Timmins mills.

21. In the past, the Applicants have benefited from a secure fibre supply and large scale mills which take advantage of efficiency of operations. As described earlier in this Report, there has been a significant slowdown in the construction of new homes in the U.S. Market which has a direct impact on the sale of OSB. The OSB

market is significantly lower than historic norms and the continued downturn in the U.S. housing market has adversely affected this Industry. The following graph sets out the decline in the historical prices for OSB.

22. OSB Historical Pricing from 2003 to May 2009 (US$/(msf 7/16 inch)):



Source: Random Lengths

23. In addition, the Applicants have significant debt levels as a result of the debt incurred to fund the construction of the Allendale and Clarendon mills. Construction on these mills commenced when the U.S. housing market was strong but was not completed until the OSB market decline had commenced.

24. As a result of deteriorating market conditions and a corresponding decrease in both the demand and price for all building supplies, including OSB, the losses incurred in the last two years and the cash flow deficiencies incurred due to the debt to fund the Clarendon and Allendale mills, the Applicants are experiencing financial difficulties.

DECISION TO COMMENCE INSOLVENCY PROCEEDINGS

25. As described above, the Applicants have incurred significant debt, primarily to fund the construction of the Allendale and Clarendon mills and to update the Englehart and Timmins mills. This increased debt resulted in an overleveraged debt structure that the Applicants can no longer support due to depressed OSB

market conditions.

26. Further, GFPI entered into a master aircraft lease agreement dated December 22, 1999 with GE Canada Leasing Services Company ("**GE Leasing**") in respect of three aircraft. One of the aircraft was sold in 2008, the proceeds of which were received by GE. The remaining two aircraft were returned to GE on March 18 and March 24, 2009. These two aircraft have not been sold by GE Leasing. As of March 31, 2009, GFPI ceased making payments under the lease. GE Leasing has issued a demand for payment of approximately $31.1 million.

27. As a result of an alleged deficiency claim under the applicable master aircraft lease, GE Leasing brought an application for a bankruptcy order dated March 17, 2009 against GFPI originally returnable on April 16, 2009. GFPI filed a notice disputing the application on April 9, 2009.

28. Due to the Applicant's financial difficulties, the amount of its debt levels and the bankruptcy petition brought by GE Leasing, a stay of proceedings is essential for the continued operations of the Applicants' businesses. Such stay would provide the Applicants with the necessary time to undertake the marketing process as further described in this report. Accordingly, the Applicants believe it is necessary for them to file for CCAA protection.

OVERVIEW OF THE 13 WEEK CASH FLOW PROJECTION

29. Grant, with the assistance of the Proposed Monitor has prepared a 13 week Cash Flow Projection (the "**Cash Flow**") for the 13 week period from June 22, 2009 to September 27, 2009. A copy of the Cash Flow is attached as Exhibit 'F' to the Lynch Affidavit. The Cash Flow is based on certain assumptions that are attached to the Cash Flow in Exhibit 'F' to the Lynch Affidavit. The Cash Flow reflects receipts and disbursements to be received or paid over the 13 week projection period in U.S. dollars.

30. Grant's cash position at the commencement of the CCAA proceedings is estimated to be approximately $27 million (including restricted cash of approximately $400,000).

31. During the 13 week period, Grant estimates that the Applicants will not need to transfer funds to its U.S. operations, however, it is anticipated that $0.8 million will be required to fund Footner. Any transfers to these affiliates are necessary to preserve Grant's interests in the value of these operations. The Applicants believe that it is essential that Footner receives these funds.

32. The Cash Flow forecast projects that the Applicants will have sufficient liquidity to operate during the CCAA proceedings.

SELECTED FINANCIAL MATTERS ADDRESSED IN THE PROPOSED INITIAL ORDER

33. The proposed Initial Order provides for the engagement of a Chief Restructuring Advisor, and also sets out a number of charges and thresholds relating to asset sales, etc. including:

- *Chief Restructuring Advisor*

34. The proposed Initial Order contemplates the continuation of the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") with services to be provided by Hap Stephen and Sandra Rosch. The proposed Initial Order further contemplates that the CRA shall have and may exercise and perform the powers, responsibilities and duties described in an engagement letter between Stonecrest and GFPI, together with such other powers, responsibilities and duties as may be agreed upon by the CRA and GFPI and approved by the Monitor or this Honourable Court.

- *Administration Charge*

35. The Administration Charge as described in the proposed Initial Order provides for an amount of CDN$2.0 million in favour of the Monitor, counsel to the Monitor, counsel to GFPI's board of directors, the CRA and the Applicants' counsel as security for the professional fees and disbursements incurred both before and after the making of the Initial Order in respect of these proceedings. The Proposed Monitor believes that the charge is required and reasonable under the circumstances.

- *Investment Offering Advisor Charge*

36. The Investment Offering Advisor Charge as described in the proposed Initial Order provides for an amount of CDN$200,000 in favour of an advisor who will assist with the proposed marketing process (the "**Investment Offering Advisor**"), to secure its fees and recoverable disbursements as set out in the Investment Offering Advisor Engagement Letter.

37. It is contemplated that the Investment Offering Advisory Charge shall rank *pari passu* with the Administration Charge.

- *Key Employee Retention Plan ("KERP") Charge*

38. The KERP Charge as described in the proposed Initial Order provides for a maximum amount of CDN$1,134,000 in favour of Peter Lynch as security for all amounts owing to him pursuant to an agreement dated December 19, 2008 and amended by a further agreement dated April 1, 2009, as described in the Lynch Affidavit (the "**KERP Agreement**"), both before and after the date of the proposed Initial Order.

39. As described previously, Peter Lynch is a senior executive of GFPI. Peter is not part of the Grant family and has been involved with Grant since its inception.

40. The Monitor has been informed that the First Lien Lenders recognise the importance of Peter Lynch's role in the restructuring process.

41. It is contemplated that the KERP Charge will stand second in priority, after the Administration Charge and the Investment Offering Advisor Charge, as set out in the proposed Initial Order.

- *Directors' Charge*

42. The Directors' Charge as described in the proposed Initial Order, provides for an amount of CDN$3.0 million to indemnify the directors and officers of Grant from all claims, costs, charges and expenses if the Applicants fail to pay certain amounts after the date of the Initial Order. Specifically, if the directors fail to pay amounts in respect of employee or former employee entitlements, statutory deemed trust amounts in favour of the Crown which are required to be deducted from employees' wages, including amounts in respect of employment insurance, Canada Pension Plan, Quebec Pension Plan and income taxes; and any amount payable to the Crown or any taxation authority in respect of municipal realty, municipal business or other taxes, which are entitled at law to be paid in priority to claims of secured creditors. The amount of the Directors' Charge was estimated by Grant taking into consideration the amount of its hourly and salaried payroll, vacation pay and sales and service taxes.

43. It is contemplated that the Directors' Charge will rank *pari passu* with the KERP Charge, after the Administration Charge and the Investment Offering Advisor Charge, as set out in the proposed Initial Order.

- *Sale of Assets*

44. The thresholds established in the proposed Initial Order for Grant's rights to dispose of redundant or non material assets provided that the price not exceed CDN$500,000 in any one transaction or CDN$2 million in aggregate, was established in relation to the size of Grant's operations and value of its assets in order to facilitate the orderly restructuring of the enterprise without adding undue

administrative burden that would not add value to the process. In the Proposed Monitor's view, these thresholds are appropriate given the size of Grant's operations.

- *Creditor Notification*

45. The proposed Initial Order contemplates that the Applicants shall, within ten business days of the date of entry of the Initial Order, send a copy of the Initial Order to their known creditors, other than employees and creditors to the Applicants owed less than CDN$1,000. The Proposed Monitor is therefore relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, but will supervise this process.

RESTRUCTURING ALTERNATIVES AND GRANT'S PROPOSED MARKETING PROCESS

46. At this preliminary stage, it is not possible to present a comprehensive restructuring strategy as Grant and its advisors will need to continue discussions that have been ongoing with its First Lien Lenders and Second Lien Lenders as well as certain of its other creditor stakeholders. The CCAA proceedings will contribute a stable environment to enable Grant to operate its business while these discussions occur.

47. Grant has a significant market presence in the OSB market, and owns a number of large, low cost mills which should provide a number of options to restructure the business.

48. Grant along with its advisors, including an Investment Offering Advisor (once one has been retained), is proposing to conduct a marketing process as set out in the proposed Initial Order. A detailed protocol with respect to the marketing process (the "**Investment Offering Protocol**") is set out in Appendix A to the proposed Initial Order. The Proposed Monitor has reviewed the Investment Offering Protocol and agrees with the marketing process set out therein.

49. The Investment Offering Protocol requires the Monitor to facilitate and oversee the marketing process undertaken by Grant and its advisors in accordance with the Investment Offering Protocol.

50. The Investment Offering Protocol also provides that the Monitor may provide periodic updates to the stakeholders who have executed confidentiality agreements and also that the Monitor jointly with Grant will agree on a preliminary potential interested party list with input from the Investment Offering Advisor and nominations provided by the stakeholders.

CONCLUSIONS AND RECOMMENDATION

51. The Proposed Monitor believes that it is appropriate that the Applicants be granted the benefit of protection under the CCAA, so they are able to stabilize their operations while it undertakes the marketing process as set out in the Investment Offering Protocol and continues discussions with its key stakeholders regarding a restructuring under CCAA supervision in a manner that is in the best interest of its stakeholders.

52. Further to EYI's review of the proposed Initial Order, EYI supports the thresholds in the proposed Initial Order, including:

   i) an Administration Charge of CDN$2.0 million;

   ii) a KERP Charge of CDN$1.134 million;

   iii) a Directors' Charge of CDN$3.0 million;

   iv) asset sales of CDN$0.5 million or CDN$2.0 million in aggregate; and

   v) Notices to creditors (excluding employees) with outstanding balances of CDN$1,000 or more.

53. The Proposed Monitor has reviewed the Applicants' proposed Investment Offering Protocol and the Proposed Monitor agrees with such process.

All of which is respectfully submitted this 24th day of June, 2009.

ERNST & YOUNG INC.
in its capacity as the Proposed Monitor of
Grant Forest Products Inc.,
Grant Alberta Inc.,
Grant Forest Products Sales Inc., and
Grant U.S. Holdings G.P.

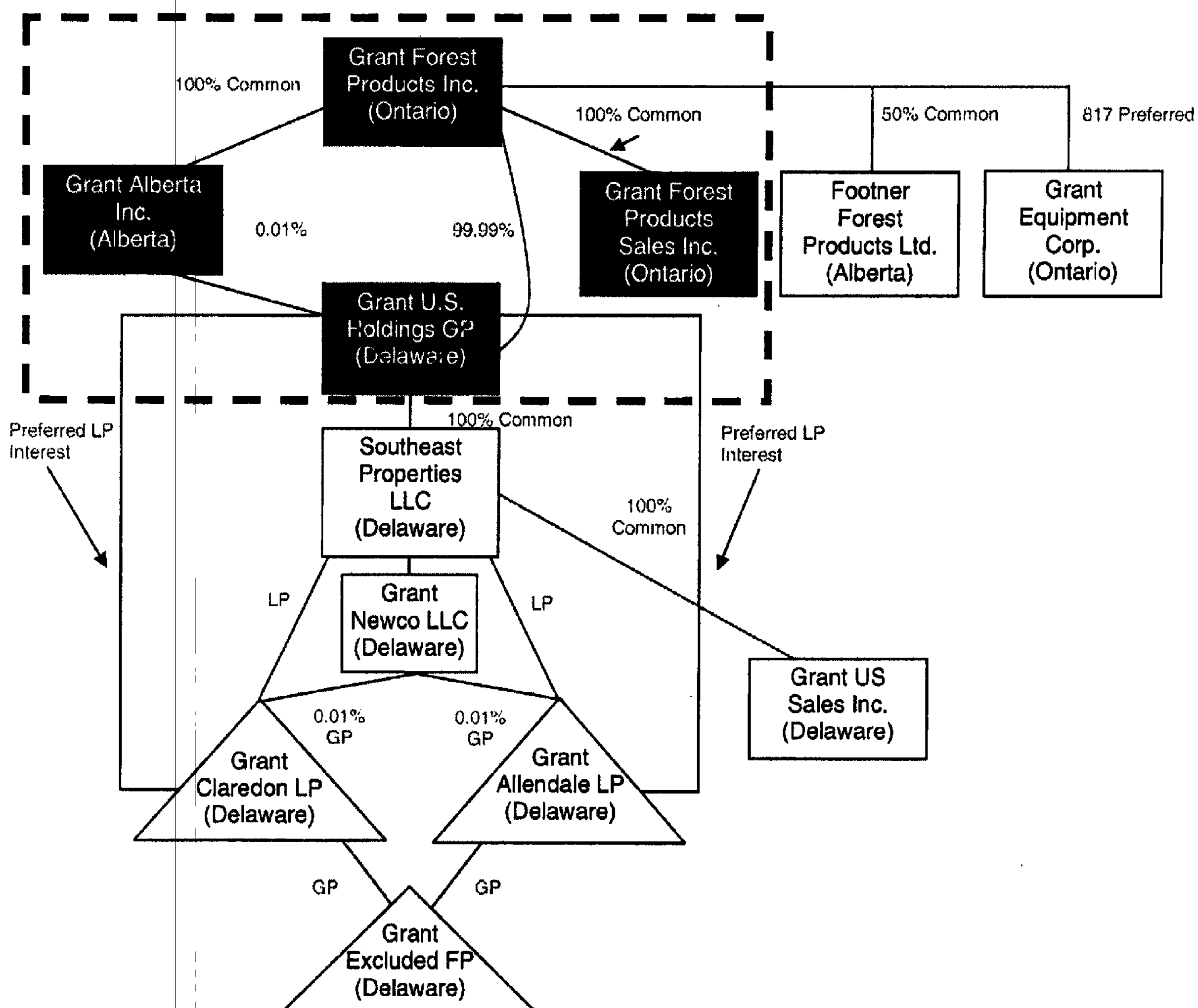
Per:

Alex Morrison
Senior Vice President

APPENDIX A

Organizational Structure of the Applicants and the Subsidiaries

June 1, 2009



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

Court File No. CV-09-824700CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

REPORT OF THE PROPOSED MONITOR, ERNST & YOUNG INC.
(Dated June 24, 2009)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC # 24941J
Tel: (416) 869-5662
Kathy Mah LSUC# 51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

EXHIBIT D

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

SECOND REPORT OF THE MONITOR DATED JULY 21, 2009

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean F. Dunphy LSUC#24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor,
Ernst & Young Inc.

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

SECOND REPORT OF THE MONITOR DATED JULY 21, 2009

INTRODUCTION

1. On June 25, 2009, Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP ("**U.S. Holdings**") (collectively "**Grant**" or the "**Applicants**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants. Pursuant to the Order of this Honourable Court dated June 25, 2009 (the "**Initial Order**"), Ernst & Young Inc. ("**EYI**") was appointed as the Monitor of the Applicants (the "**Monitor**") in the CCAA proceeding. The Initial Order provided for a stay of proceedings through to July 24, 2009 (the "**Stay Period**").

PURPOSE

2. The purpose of this Second Report of the Monitor (the "**Second Report**") is to report to this Honourable Court with respect to:

    a. the status of the CCAA proceedings;

    b. the status of the marketing process as described in the Initial Order (the

"Marketing Process");

c. the motion by the Applicants to commence a marketing process for the sale of its non-core assets;

d. actual receipts and disbursements of the Applicants from June 25, 2009 to July 12, 2009 as well as the Applicants' revised cash flow projection from July 13, 2009 to October 18, 2009; and,

e. the motion by the Applicants to extend the stay period to October 15, 2009.

TERMS OF REFERENCE

3. In preparing this Report, the Monitor has been provided with and in making the comments herein relied upon unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants and discussions with management of the Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Second Report. Some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

4. Unless otherwise stated all monetary amounts contained herein are expressed in U.S. Dollars.

5. Capitalized terms not defined in this Report are defined in the Initial Order or

EYI's Report dated June 24, 2009.

BACKGROUND

6. GFPI and certain of its subsidiaries are, privately owned corporations carrying on an Oriented Strand Board (**"OSB"**) manufacturing business from facilities located in Canada and the U.S. OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from logs and bonded with an exterior-type binder under heat and pressure. The most common uses are sheathing in walls, floors and roofs in the construction of buildings and residential housing.

7. The Applicants and certain of their subsidiaries or other related parties, namely Southeast Properties LLC, Grant Newco LLC, Grant Clarendon LP, Grant Allendale LP, Grant Excluded FP, Grant U.S. Sales Inc. and Footner Forest Products Ltd. (**"Footner"**) (collectively, the **"Subsidiaries"**), have a total annual capacity to produce 3.7 billion square feet of OSB, which makes them the third largest OSB manufacturer in North America.

8. The Applicants and the Subsidiaries have interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta. The Applicants and their Subsidiaries also have interests in the Allendale and Clarendon mills located in South Carolina in the United States. The mills located in Englehart and Timmins in Ontario are owned by GFPI and, as such, they are included in Grant's CCAA proceedings. GFPI also has a 50% interest in a mill located at High Level in Alberta. This mill is held by Footner as bare trustee and GFPI owns 50% of the shares of Footner. The Allendale and Clarendon mills in South Carolina are owned by Grant Allendale LP and Grant Clarendon LP respectively, which are 99.9% owned by Southeast Properties LLC, but these mills are indirectly owned by GFPI.

9. As a result of the present market conditions and the reduced demand for OSB and other wood products, only the OSB mills located in Englehart, Ontario and Allendale, South Carolina, are presently operating. Both the mill in Timmins,

Ontario and the mill in High Level, Alberta are idle. The mill in Clarendon, South Carolina is a new mill which is substantially complete but has not yet been put into production.

STATUS OF CCAA PROCEEDINGS

10. On June 25, 2009, this Honourable Court issued the Initial Order which, among other things, declared that the Applicants are debtor companies to which the CCAA applies and granted certain relief to the Applicants while they assess their restructuring alternatives pursuant to the CCAA. In addition, the Initial Order approved the continuation of the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") with services to be provided by Hap Stephen and Sandra Rosch.

11. The Monitor has established a toll-free telephone number to allow creditors and other interested parties in Canada and the U.S. to contact the Monitor to obtain additional information concerning the CCAA proceedings. In addition, the Monitor has also posted all public documents related to the CCAA proceedings on its website at www.ey.com/ca/gfp.

12. Pursuant to the Initial Order, the Applicants, with the assistance of the Monitor, sent a copy of the Initial Order to all known creditors, excluding employees, with balances owing to them of greater than CDN$1,000. The Applicants provided the toll-free number and the website address of the Monitor in a cover letter that was sent along with the copy of the Initial Order.

13. The Applicants with the assistance of the Monitor have maintained the functionality of their operations and have been working towards stabilizing their operations and returning them to a business as usual basis. The Monitor is not aware of any interruptions to the operations of the Applicants since the commencement of the CCAA proceedings.

STATUS OF THE MARKETING PROCESS

14. The Initial Order provided for the immediate commencement of the Marketing Process in accordance with the protocol attached as Appendix "A" to the Initial Order (the "**Investment Offering Protocol**") to provide interested parties with the opportunity to offer to purchase the business and operations of the Applicants and their Subsidiaries as a going concern or offer to sponsor a plan of arrangement of the Applicants, or any of them.

15. Paragraph 18 of the Initial Order and the Investment Offering Protocol authorized and directed the Applicants to engage an investment offering advisor (the "**Investment Offering Advisor**"), subject to the approval of the Monitor and the Toronto-Dominion Bank, the Agent of the First Lien Lenders (the "**Agent**"), to assist in connection with the conduct of the Marketing Process. Subsequent to the issuance of the Initial Order, the Applicants requested that the Monitor undertake the role of the Investment Offering Advisor. The Agent was also in concurrence with the Monitor fulfilling the Investment Offering Advisor role.

16. Further to the appointment of the Monitor as the Investment Offering Advisor; Grant, the CRA and the Monitor have collectively taken the following steps:

   a. Prepared a two page overview of the Applicants' business and operations (the "**Teaser**") and a non-disclosure agreement (the "**NDA**") to be executed by interested parties who plan to participate in the Marketing Process;

   b. Set up a data room including materials relevant for assessing the business and operations of the Applicants;

   c. Compiled a list of potential interested parties including parties that expressed an interest in Grant's operations prior to the CCAA proceedings and other parties whose interest is known to Grant, the Monitor or the Investment Offering Advisor. The Monitor also requested the First and Second Lien Agents for names to be added to the list of interested parties;

and

d. Contacted a significant number of potential interested parties by phone and distributed the Teaser and the NDA to these interested parties (or a waiver with respect to a condition in certain NDAs previously executed by interested parties).

17. In addition to the above, Grant, with the assistance of the Monitor has updated its management presentation that will be presented to potential interested parties who have executed NDAs. This presentation is scheduled for July 21, 2009.

18. As set out in the Investment Offering Protocol, potential interested parties have until July 31, 2009 to submit a non-binding preliminary proposal.

PROCESS TO MARKET AND SELL THE NON-CORE ASSETS

Background

19. GFPI owns certain assets which are not required for the operations of the OSB business, including premises in Haileybury (the "**Haileybury Office**"), a golf course in Earlton, (the "**Golf Course**") and a 65 foot custom built motor boat which is currently located in Florida (the "**Boat**") (collectively, the "**Non-Core Assets**").

20. It is the Monitor's view that it is unlikely that parties participating in the Marketing Process will view the Non-Core Assets as necessary for the operation of the business.

21. As such, Grant plans to conduct a marketing process to effect a sale or sales of the Non-Core Assets. This process is described in detail below (the "**Non-Core Asset Sale Process**").

22. The Applicants in their motion dated July 20, 2009, are seeking an Order from this Honourable Court approving the marketing process for the sale of the Non-Core Assets as described in this Second Report. The key elements of the Non-Core Asset Sale Process are:

a. Grant will undertake the Non-Core Asset Sale Process and the Monitor will oversee the process and assist with its implementation;

b. Grant will retain the right to discontinue the Non-Core Asset Sale Process at any time if other restructuring alternatives are pursued;

c. Grant reserves the right to reject any or all of the offers received; and

d. Any sale of the Non-Core Assets must be approved by this Honourable Court in accordance with the Initial Order.

23. Grant and the Monitor may provide periodic updates, as appropriate, to stakeholders including the First Lien Lenders and the Second Lien Lenders.

Outline of the Non-Core Asset Sale Process

- ***General***

24. The following are the general steps in the Non-Core Asset Sale Process. Specific procedures unique to each of the Non-Core Assets are provided later in this Second Report. Initially, Grant, with the assistance of the Monitor, will:

i. compile all relevant design and construction documentation and details of current status for each of the Non-Core Assets;

ii. prepare an overview of each of the Non-Core Assets including details of location, design specifications and significant features supported by pictures and web-based virtual tours as appropriate (the "**Non-Core Asset Marketing Materials**"). The Non-Core Asset Marketing Materials will be located on the Monitor's website;

iii. prepare Standard Terms and Conditions governing the Non-Core Asset Sale Process which include that non-binding expressions of interest are due on or before September 30, 2009;

iv. advertise the Non-Core Assets available for sale in relevant publications and/or other media in the appropriate locations of the Non-Core Assets; and

v. after conducting the processes for each of the Non-Core Assets as outlined below, review the results and/or market response received as at September 30, 2009 and, based on this information, determine the appropriate next steps.

- ***The Haileybury Office***

25. The Haileybury Office is located in Haileybury, Ontario, and includes dry-dock storage for two boats, entertainment facilities, guest rooms, a fitness facility and space available to configure for office and /or other purposes. In addition to the general steps in the Non-Core Asset Sale Process described above, GFPI proposes to proceed with the additional steps as outlined below with respect to the marketing and sale of the Haileybury Office:

a) develop a list of real estate brokers with expertise in this type of real estate with offices in Toronto and offices or affiliates in Haileybury, Ontario or other nearby communities, and ask these real estate brokers for a proposal to market the Haileybury Office;

b) based on the proposals submitted, select a broker (the "**Selected Broker**") to assist with the marketing and sale process and discuss and confirm compensation arrangements;

c) list the Haileybury Office for sale with the Selected Broker;

d) prepare additional marketing material specifically related to the Haileybury Office highlighting relevant unique aspects of the premises;

e) establish arrangements with the Selected Broker regarding access for potential purchasers to view the Haileybury Office; and

f) establish a protocol with the Selected Broker for the distribution of the Non-Core Asset Marketing Materials and Standard Terms and Conditions along with the Selected Broker's approach to the market and the process and time line for reporting to GFPI and the Monitor.

- ***Golf Course***

26. The Golf Course is located near Twin Lakes in New Liskeard, Ontario. The Golf Course is owned by GFPI. In addition to the general steps in the Non-Core Asset Sale Process described above, GFPI proposes to proceed with the steps as outlined below with respect to the marketing and sale of the Golf Course:

a) develop a list of potential purchasers (the "**Potential Purchasers**") based on parties who own golf course properties or are otherwise involved in the golf and/or recreational property industry, focusing on those based in Ontario;

b) prepare additional marketing material related to the Golf Course highlighting relevant specifications and items unique to the Golf Course;

c) establish arrangements regarding access for Potential Purchasers to view the Golf Course;

d) make contact with and distribute the Non-Core Asset Marketing Materials along with the Standard Terms and Conditions and viewing arrangements to the list of Potential Purchasers; and

e) place follow up calls to the Potential Purchasers to determine those who have expressed an interest in the Golf Course.

- ***Boat***

27. GFPI commissioned the design and construction of the Boat which is a 65 foot motor yacht premised on the use of OSB as a component of the materials used to construct it. The Boat is essentially complete, having been subjected to sea trials

but has not yet been audited and is currently located at a dry storage facility in Florida.

28. GFPI listed the Boat for sale with an Orillia, Ontario based boat retailer ("**Crates**") prior to the commencement of the CCAA proceedings. In addition to the general steps in the Non-Core Asset Sale Process described above, GFPI proposes to proceed with the steps as outlined below with respect to the marketing and sale of the Boat:

    a. develop a list of boat brokers that includes such entities around the world that are known to have clients who purchase and/or charter vessels of this type;

    b. approach certain of these boat brokers seeking an outline of a marketing plan for the Boat along with their proposed compensation arrangements for managing the marketing process;

    c. consider all proposals received, compare the current arrangements in place with Crates, determine which of these parties will manage the marketing process and retain this party on commercially reasonable terms (the "**Boat Broker**");

    d. establish the protocol with the Boat Broker for the process and time line for reporting progress to GFPI and the Monitor;

    e. in conjunction with the Boat Broker, prepare additional marketing material related to the Boat highlighting relevant specifications and including a schematic of the layout;

    f. consider establishing a reserve bid amount;

    g. establish arrangements with the facility in Florida regarding access for potential purchasers and the possibility of open water demonstrations; and

    h. in coordination with the Boat Broker, distribute the Boat marketing materials, along with the Standard Terms and Conditions, the reserve bid amount, if applicable and viewing arrangements to the established list of boat brokers and charter companies and confirm compensation arrangements for cooperating brokers.

ACTUAL CASH RECEIPTS AND DISBURSEMENTS

29. A summary of the actual receipts and disbursements as compared to the projection set out in Exhibit 'F' to the affidavit of Mr. Peter Lynch, dated June 22, 2009, supporting Grant's CCAA Application, is attached as Appendix "A" to this Second Report.

30. The Applicants' actual consolidated net cash inflow for the period from June 25, 2009 to July 12, 2009 was $485,000. The actual net cash inflow was higher than projected by approximately $3.0 million primarily as a result of higher than anticipated sales. Grant has ramped up its production since the commencement of the CCAA proceedings to meet the higher demand for its product.

UPDATED CASH FLOW PROJECTION

31. Grant, with the assistance of the Monitor, had prepared a cash flow projection for the period from July 13, 2009 to October 18, 2009, (the "**Cash Flow Forecast**") a copy of which is attached as Appendix "B" to this Second Report.

32. The cash flow projection attached to this Second Report reflects receipts and disbursements to be received or paid over the projection period in U.S. dollars.

33. The Applicants are projecting a net cash outflow of approximately $235,000 during the projection period prior to transfers of funds to Footner and Grant's U.S. affiliates.

34. During the projection period, Grant estimates that the Applicants will be required to transfer funds of approximately $90,000 to its U.S. affiliates and approximately $710,000 to Footner. Such transfers to these affiliates preserve Grant's interests in these operations.

35. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the proposed stay period as discussed further in this Second Report.

STAY EXTENSION

36. The current stay of proceedings under the Initial Order expires on July 24, 2009. The Applicants are seeking an extension of the stay period to October 15, 2009 in order to permit them time to undertake the Marketing Process as set out in the Investment Offering Protocol, undertake the Non-Core Asset Sale Process and continue discussions with their key stakeholders regarding its restructuring alternatives.

37. The updated cash flows described earlier in this Second Report which cover the period from July 13, 2009 to October 18, 2009 indicate that the Applicants will have sufficient liquidity to sustain ordinary course operations during the projection period.

38. It is the Monitor's view that the Applicants have acted in accordance with the Initial Order and are working on the Marketing Process on an expedited basis. Accordingly, the Monitor is satisfied that the Applicants are acting in good faith and with due diligence.

RECOMMENDATIONS

39. The Applicants are seeking this Honourable Court's approval to commence the Non-Core Asset Sale Process and extend the Stay Period to October 15, 2009.

40. The Monitor recommends that this Honourable Court approve the Non-Core Asset Sale Process and the steps outlined in this Second Report and approve the Applicants' motion for an extension of the Stay Period to October 15, 2009.

41. Approve the First and Second Reports and the conduct and activities of the Monitor as presented in the First and Second Reports.

All of which is respectfully submitted this 21st day of July, 2009.

ERNST & YOUNG INC.
in its capacity as the Monitor of
Grant Forest Products Inc.,
Grant Alberta Inc.,
Grant Forest Products Sales Inc., and
Grant U.S. Holdings G.P.

Per:

Alex Morrison
Senior Vice President

APPENDIX A

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Combined Actual Receipts and Disbursements
For The Period From June 25 to July 12, 2009
(In Thousands of US Dollars)

	Actual	Projection	Variance	Note
Opening Bank Balance	28,051	26,413	1,637	1
Receipts				
OSB Sales	4,963	2,433	2,530	2
Wood Sales	102	21	81	
GST Refunds	181	33	148	3
Interest Income	-	23	(23)	
Other Receipts	329	-	329	4
Total Receipts	5,575	2,510	3,065	
Disbursements				
Payables-Wood	(678)	(1,140)	462	5
Freight	(463)	(534)	71	
Other Payables	(1,965)	(636)	(1,329)	6
Payroll	(767)	(880)	113	7
Utilities & Fuel	(52)	(305)	253	8
GST Remittance	(155)	(86)	(69)	
SG&A	(61)	(399)	338	9
Restructuring Costs	(110)	(598)	488	10
Bank Charges	-	(15)	15	
Capex	-	(505)	505	11
Foreign Exchange Impact	(75)	-	(75)	12
Pre-filing Outstanding Cheques Cleared	(764)	-	(764)	13
Total Disbursements	(5,090)	(5,097)	8	
Net Cash Flows	485	(2,587)	3,072	
Inter-Company Transfers:				
Transfer from (to) US Companies	-	-	-	
Transfers from (to) Footner	(62)	(241)	179	14
Total Inter-Company Transfers	(62)	(241)	179	
Ending Bank Balance	28,474	23,585	4,889	

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Combined Actual Receipts and Disbursements
For The Period June 25 to July 12, 2009
Variance Analysis

This analysis reflects the significant variances between actual receipts and disbursements vs. projected receipts and disbursements as set out in the Affidavit of Peter Lynch of June 22, 2009.

The actual receipts and disbursements are denominated in US dollars. Canadian dollars are converted to US dollars every week at Thursday's closing exchange rate as published by the Bank of Canada. In the projection, Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.1032=US$1.00.

1. **Opening Bank Balance** – The opening bank balance in the projection were estimated opening bank balances which was presented in the cash flow projection appended to the Affidavit of Peter Lynch of June 22, 2009. The actual opening balance is higher as a result of higher than anticipated receipts in prior weeks.

2. **OSB Sales** – The favorable variance in OSB receipts is primarily a result of higher than expected sales volumes for the period June 15 to June 27, 2009.

3. **GST Refund** – The balance shown represents the GST refund for the month of May 2009, which the Applicants projected to receive in the week ending June 21, 2009. Accordingly, this variance is caused by timing of such receipt.

4. **Other Receipts** – Actual receipts include reimbursements for payroll processed by the Applicants on behalf of affiliates of the Applicants and other miscellaneous receipts. The projection did not contemplate such receipts, therefore this is a permanent variance.

5. **Payables Wood** – The projection assumed COD payment term for wood supplies, however, the Applicants were successful in maintaining original terms on wood purchases. Accordingly, this is a timing difference which is expected to reverse in the future.

6. **Other payables** – The variance is a result of both credit term modifications and higher purchases due to the ramp up in production at the Englehart mill. As a result of increased production, the Applicants incurred higher costs for materials used in the production process. The portion of variance that is related to credit term modifications is expected to reverse in the future.

7. **Payroll** – The variance is caused by the timing of the payroll remittance that was projected to be in the week ending June 27, 2009 but was actually made one week earlier.

8. **Utilities and Fuel** – This is a temporary variance caused by timing which is anticipated to reverse in the future.

9. **Sales, General & Administrative** – This is a temporary variance which is expected to reverse in the future.

10. **Restructuring Costs** – This is a temporary positive variance which is expected to reverse in the future.

11. **Capex** – This is a temporary variance which may reverse in the future.

12. **Foreign Exchange Impact** – The Applicants converted the weekly opening Canadian dollar balance to US dollars using the Thursday closing rate as published by the Bank of Canada. This balance reflects the holding foreign exchange difference on the opening Canadian dollar balance as of June 25, 2009 caused by unfavourable changes in the foreign exchange rate.

13. **Pre-filing Outstanding Wire Transfers and Cheques Cleared** – These are pre-filing outstanding cheques and wire transfers that cleared the bank on June 25, 2009 prior to the issuance of the Initial Court Order.

14. **Transfer to Footner** – These transfers represent the Applicants' share of expenditures incurred by the Footner mill, which are primarily lease and utility payments, as the Footner mill remains temporarily closed. This is a temporary variance which may reverse in the future.

APPENDIX B

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants") Consolidated Cash Flow Projection
For The Period From July 13, 2009 to October 18, 2009
(In Thousands of US Dollars)

Week Ending	Notes	19-Jul	26-Jul	2-Aug	9-Aug	16-Aug	23-Aug	30-Aug	6-Sep	13-Sep	20-Sep	27-Sep	4-Oct	11-Oct	18-Oct	Total
Opening Bank Balance	1	28,474	26,764	27,491	27,422	27,299	28,370	27,221	27,418	27,297	28,024	27,881	27,491	27,762	29,066	28,474
Receipts																
OSB Sales	2	1,691	2,660	2,345	2,345	2,736	1,955	2,345	2,345	2,345	2,345	2,345	2,345	2,345	391	30,541
Wood Sales	3	39	-	-	39	-	39	-	39	-	39	-	39	-	19	252
GST Collected & Refunds	4	268	48	42	42	326	35	42	42	319	42	42	42	263	42	1,597
Interest Income	5	-	-	-	6	-	-	-	6	-	-	-	6	-	-	17
Other Receipts	6	-	32	-	-	-	-	-	-	-	-	-	-	-	-	32
Total Receipts		1,998	2,740	2,388	2,432	3,062	2,028	2,388	2,432	2,664	2,426	2,388	2,432	2,609	452	32,439
Disbursements																
Payables-Wood	7	(1,170)	-	-	(1,193)	-	(1,162)	-	(1,293)	-	(1,244)	-	(1,018)	-	(1,050)	(8,131)
Freight	8	(408)	(120)	(598)	(120)	(598)	(120)	(598)	(120)	(598)	(120)	(598)	(120)	(299)	(120)	(4,538)
Other Payables	9	(718)	(746)	(630)	(742)	(626)	(761)	(616)	(688)	(659)	(706)	(647)	(614)	(287)	(471)	(8,911)
Payroll	10	(732)	(19)	(723)	(19)	(538)	(19)	(665)	(61)	(538)	(19)	(636)	(19)	(538)	(19)	(4,544)
Utilities & Fuel	11	164	(299)	140	(195)	150	(750)	140	(195)	164	(202)	(374)	(187)	188	(161)	(1,419)
GST Remittance	12	-	(162)	-	-	-	-	(211)	-	-	-	(169)	-	-	-	(542)
SG&A	13	(78)	(194)	(38)	(56)	(56)	(94)	(56)	(71)	(86)	(111)	(168)	(66)	(60)	(92)	(1,225)
Restructuring Costs	14	(229)	(468)	(500)	(229)	(229)	(229)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(2,884)
Bank Charges	15	-	(4)	-	-	-	-	-	-	-	-	-	(13)	-	-	(17)
Capex	16	-	-	(50)	-	-	-	-	-	-	-	-	-	-	-	(50)
Foreign Exhange Impact	17	(414)	-	-	-	-	-	-	-	-	-	-	-	-	-	(414)
Total Disbursements		(3,585)	(2,012)	(2,399)	(2,555)	(1,897)	(3,136)	(2,132)	(2,553)	(1,842)	(2,528)	(2,718)	(2,161)	(1,120)	(2,038)	(32,675)
Net Weekly Cash Flows		(1,587)	728	(11)	(123)	1,166	(1,107)	256	(121)	822	(102)	(330)	271	1,489	(1,586)	(235)
Inter-Company Transfers:																
Transfer from (to) US Companies	18	-	-	-	-	-	-	-	-	-	-	-	-	(90)	-	(90)
Transfers from (to) Footner	19	(123)	(1)	(58)	-	(95)	(42)	(59)	-	(95)	(42)	(59)	-	(95)	(42)	(710)
Total Inter-Company Transfers		(123)	(1)	(58)	-	(95)	(42)	(59)	-	(95)	(42)	(59)	-	(185)	(42)	(800)
Ending Bank Balance		26,764	27,491	27,422	27,299	28,370	27,221	27,418	27,297	28,024	27,881	27,491	27,762	29,066	27,438	27,438
Deduct: Restricted Cash	20	(354)	(354)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)	(388)
Ending Cash excluding Restricted Cash		26,410	27,137	27,035	26,912	27,982	26,834	27,030	26,910	27,637	27,493	27,104	27,375	28,678	27,051	27,051

In the Matter of the CCAA of Grant Forest Products Inc. Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Grant" or the "Applicants")
Notes to the Unaudited Cash Flows Projection

Disclaimer:

In preparing this cash flow projection (the "Cash Flow Forecast"), the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the mills and additional assumptions discussed below with respect to the requirements. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecasts, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast reflects cash flows from Grant's operations including inter-company transfers to and from the mill at Footner and Grant's U.S. operations. The Applicants with the assistance of the Monitor have prepared the Cash Flow Forecast based primarily on historical results and Grant's current business plan. Receipts and disbursements are denominated in both Canadian and US dollars; however the consolidated cash flow is presented in U.S. dollars. Canadian dollars are converted to US dollars at the exchange rate of CDN$1.2 = US$1.00.

The Cash Flow Forecast assumes that three of Grant's mills, specifically, Timmins, Footner and Clarendon continue to remain closed during the Cash Flow Forecast period. The Cash Flow Forecast also assumes that no interest will be paid to the lenders during the projection period.

Assumptions:

1) **Opening Balance:**
   This is the anticipated opening cash balance of the Applicants at the commencement of the stay extension period and includes funds held in Canadian dollars and U.S. dollars that were converted into U.S. dollars at the exchange rate noted above.

2) **Sales Receipts:**
   OSB Sales are calculated as the product of the projected volume and the projected price per unit. The projected volume is estimated based on Grant's historical volumes with a discount for the decline in sales as a result of the slower U.S. housing market as compared to previous years. The projected sales price per unit is

estimated using historical pricing data by Grant's sales department and market forecasts published by independent services. Further amounts estimated for freight and GST (for sales in Canada) are added to the unit price to arrive at the gross price per unit. Grant assumes that sales are collected in two weeks, based on recent historical run rates.

3) **Wood Sales Receipts:**
Wood sales receipts represent receipts from sales of wood not utilized in the production process. It is anticipated that such sales and the corresponding receipts will not be significant during the projection period.

4) **GST Collected & Refunds:**
It is estimated that 42% of Grant's OSB sales are to Canadian Customers based on Grant's most recent sales trend. GST is calculated at 5% of such sales. It is assumed that GST invoiced is collected after two weeks, similar to the receipts of sales as described above. Grant is typically in a net refund position as GST remittances are offset by potential input tax credits.

5) **Interest Income:**
Interest income is estimated at 0.25% of the previous month's bank balance and is projected to be received in the first week of each month.

6) **Other Receipts:**
Other Receipts include certain intercompany reimbursements and other miscellaneous receipts.

7) **Payables – Wood:**
The cost of wood is estimated based on recent historical run rates and current production levels which are approximately 80% of total capacity. In addition to the cost of wood, the company pays freight, which fluctuates slightly on a weekly basis.

8) **Freight:**
Freight costs are recovered from customers, however, Grant pays freight costs approximately a week after the sales are made and recovers these amounts from customers in two weeks, at the same time as payment for product as described in note 2 above.

9) **Other Payables:**
Other payables represent suppliers not included in other specific line items. Payables primarily include payments to suppliers for resin, wax, repairs & maintenance, packaging, and contract labour.

10) **Payroll:**
Payroll represents payroll costs including deductions for all executives and employees and is forecast based on historical run rates. Both salaried and hourly employees are paid bi-weekly through direct deposits. Grant has outsourced its

payroll services to ADP. ADP is usually funded a few days prior to the payroll date. Included in the payroll line item are costs for benefits, pension, and WSIB.

11) Utilities & Fuel:

Utilities represent costs for electricity and natural gas. These costs are estimated based on recent historical run rates and production levels.

Fuel represents costs of refuelling both Grant owned vehicles and independent truckers that deliver wood to Englehart. The Cash Flow Forecast includes recoveries of fuel costs from freight transport companies who use Grant's fuel pump at Englehart and the highway card lock system.

12) GST Remittance:

GST Remittance represents anticipated GST remittances of GFPSI based on projected sales. Typically, Grant on a net consolidated basis is in a GST refund position; however, the sales company is in a payable position as it has no input tax credits.

13) SG&A :

SG&A represents costs for rent, property tax, equipment rentals, general repairs and maintenance, office supplies, travel and insurance.

14) Restructuring Costs:

Restructuring costs include costs related to Grant's advisors and their counsel and the Monitor and its counsel.

15) Bank Charges:

No interest in projected to be paid to the lenders during the projection period.

16) Capex:

Capex costs represent payments for anticipated capital expenditures.

17) Foreign Exchange Impact:

Foreign Exchange Impact represents the difference in the exchange rate between the opening cash balance in which Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.16 = US$1.00 and the Cash Flow Forecast exchange rate of CDN$1.2 = US$1.00.

18) Transfer from (to) US Companies:

Represents intercompany funding between Allendale and Clarendon and the Applicants. During the projection period, it is currently projected that Allendale and Clarendon will require approximately $90,000 in funding from the Applicants.

19) **Transfers from (to) Footner:**
Represents intercompany funding between Footner and the Applicants. During the projection period, it is currently projected that Footner will require approximately $710,000 in funding from the Applicants.

20) **Restricted Cash:**
Represents approximately $388,000 ($354,000 in the first two weeks) of restricted cash held as a reserve for certain letters of credit issued by the Applicants.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Court File No: CV-09-824700CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SECOND REPORT OF THE MONITOR, ERNST & YOUNG INC.

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean F. Dunphy LSUC#24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

EXHIBIT E

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

THIRD REPORT OF THE MONITOR DATED JULY 31, 2009

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC#: 24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

THIRD REPORT OF THE MONITOR
DATED JULY 31, 2009

INTRODUCTION

1. On June 25, 2009, Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP ("**U.S. Holdings**") (collectively "**Grant**" or the "**Applicants**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants. Pursuant to the Order of this Honourable Court dated June 25, 2009 (the "**Initial Order**"), Ernst & Young Inc. ("**EYI**") was appointed as the Monitor of the Applicants (the "**Monitor**") in the CCAA proceeding. The Initial Order provided for a stay of proceedings through to July 24, 2009. The stay of proceedings was subsequently extended to October 15, 2009 (the "**Stay Period**") pursuant to an Order of this Honourable Court dated July 24, 2009.

2. The Initial Order provided for the immediate commencement of a marketing process (the "**Marketing Process**") in accordance with the protocol attached as Appendix "A" to the Initial Order (the "**Investment Offering Protocol**") to provide interested parties with the opportunity to offer to purchase the business

and operations of the Applicants and their Subsidiaries as a going concern or offer to sponsor a plan of arrangement of the Applicants, or any of them.

PURPOSE

3. The purpose of this Third Report of the Monitor (the "**Third Report**") is to report to this Honourable Court with respect to the motion of GE Canada Leasing Services Company ("**GE Canada**") returnable August 6, 2009. GE Canada is requesting an order to amend certain provisions in the Initial Order with respect to the charge granted on the property of the Applicants (the "**KERP Charge**") as security for any amounts owed to Mr. Peter Lynch ("**Lynch**") pursuant to an employee retention plan agreement dated December 19, 2008 between Lynch and GFPI as amended by an amendment as of April 1, 2009 (the "**KERP Agreement**").

TERMS OF REFERENCE

4. Unless otherwise stated all monetary amounts contained herein are expressed in U.S. Dollars.

5. Capitalized terms not defined in this Third Report are defined in the Initial Order or the Monitor's previous reports.

BACKGROUND

6. GFPI and certain of its Subsidiaries are privately owned corporations carrying on an Oriented Strand Board ("**OSB**") manufacturing business from facilities located in Canada and the United States. OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from logs and bonded with an exterior-type binder under heat and pressure. The most common uses are sheathing in walls, floors and roofs in the construction of buildings and residential housing.

7. The Applicants and the Subsidiaries have interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta. The

Applicants and their Subsidiaries also have interests in the Allendale and Clarendon mills located in South Carolina in the United States. The mills located in Englehart and Timmins in Ontario are owned by GFPI and, as such, they are included in Grant's CCAA proceedings. GFPI also has a 50% interest in a mill located at High Level in Alberta. This mill is held by Footner as bare trustee and GFPI owns 50% of the shares of Footner. The Allendale and Clarendon mills in South Carolina are owned by Grant Allendale LP and Grant Clarendon LP respectively, which are 99.9% owned by Southeast Properties LLC, but these mills are indirectly owned by GFPI.

8. As set out in the Monitor's First Report, as of May 31, 2009, GFPI has total funded debt obligations of approximately $549 million in two levels of primary secured debt. As of May 31, 2009, the first lien lenders (the "**First Lien Lenders**") were owed the principal amount of approximately $399 million plus accrued interest. Further, as of May 31, 2009, the second lien lenders (the "**Second Lien Lenders**") were owed the principal amount of approximately $150 million. In addition, as of May 31, 2009, GFPI has unsecured trade creditors of over $4.0 million, as well as other unsecured debt obligations.

9. As set out in the Monitor's First Report, GFPI entered into a master aircraft lease agreement dated December 22, 1999 with GE Canada in respect of three aircraft. One of the aircraft was sold in 2008, the proceeds of which were received by GE Canada. The remaining two aircraft were returned to GE Canada in March 2009. These two aircraft have not been sold by GE Canada. As of March 31, 2009, GFPI ceased making payments under the lease. GE Canada has issued a demand for payment of approximately $31.1 million.

10. As a result of an alleged deficiency claim under the applicable master aircraft lease, GE Canada brought an application for a bankruptcy order dated March 17, 2009 against GFPI originally returnable on April 16, 2009. GFPI filed a notice disputing the application on April 9, 2009.

11. As set out in the Monitor's Second Report, paragraph 18 of the Initial Order and the Investment Offering Protocol authorized and directed the Applicants to engage an investment offering advisor (the "**Investment Offering Advisor**"), subject to the approval of the Monitor and the Toronto-Dominion Bank, the Agent of the First Lien Lenders (the "**Agent**"), to assist in connection with the conduct of the Marketing Process. Subsequent to the issuance of the Initial Order, the Applicants requested that the Monitor undertake the role of the Investment Offering Advisor. The Agent was also in concurrence with the Monitor fulfilling the Investment Offering Advisor role.

LYNCH'S ROLE IN THE CCAA PROCEEDINGS AND THE MARKETING PROCESS

12. Lynch is the executive vice president and secretary of GFPI. The Monitor understands that he is the most senior officer of the Applicants who is not a member of the Grant family, and has been informed that Lynch has been employed by GFPI (or its predecessor companies) in excess of 15 years.

13. Since the commencement of the CCAA proceedings, the Monitor had significant contact and interaction with Lynch. In particular, the Monitor has worked closely with Lynch to deal with numerous matters involving the Applicants' customers, suppliers and employees which have been critical to stabilize the Applicants' business operations during the CCAA proceedings. The Monitor notes that Lynch's input and involvement in the CCAA stabilization activities has been very helpful in ensuring that no plant production disruptions have occurred since the commencement of the CCAA proceedings.

14. Further to the appointment of the Monitor as the Investment Offering Advisor, the CRA, the Monitor and Grant, primarily represented by Lynch, have collectively commenced the Marketing Process. It is the opinion of the Monitor that Lynch has contributed significantly to the Marketing Process and the Monitor has been able to leverage on his knowledge of the Applicants' businesses and the OSB industry to ensure that Phase I of the Marketing Process has been conducted in an

efficient and effective manner. Specifically, Lynch's contributions to the Marketing Process have included:

a. specific knowledge of the sales process that was previously conducted by the Applicants prior to the CCAA proceedings;
b. knowledge of prospective bidders;
c. key presenter at a presentation conducted by management for the benefit of prospective bidders; and
d. key management resource to provide and coordinate responses for the Monitor to questions and data requests from prospective bidders.

THE KERP CHARGE

15. As Lynch is a very seasoned executive, the Monitor would expect that Lynch will consider other employment options if his KERP Agreement is not secured by the KERP Charge, which can only distract from the Marketing Process.

16. The Monitor is of the view that Lynch's continuing role as a senior executive is important for the stability of the business and to enhance the effectiveness of the Marketing Process.

17. The Monitor does not know what Lynch's response will be if the KERP Charge were to be rescinded. However, the Monitor does note that Lynch's future employment prospects with the Applicants is not certain in light of the Marketing Process nor is the ultimate potential outcome of a sale or refinancing of the business, which could very well result in the appointment of a new management team. As such, there is a risk that Lynch will consider other employment options.

AFFECTED STAKEHOLDERS

18. In the Monitor's view, the creditors likely most affected by the KERP Charge are the First Lien Lenders and the Second Lien Lenders who are owed on a combined basis approximately $549 million as at the date of the Initial Order plus accrued interest. While the Monitor has not yet conducted an independent review of either the validity or priority of the security held by either the First Lien Lenders or

Second Lien Lenders, the Monitor understands and assumes for the purposes of this Third Report that the First and Second Lien Lenders are beneficiaries of general security charges against the Applicants' assets to secure their obligations.

19. Given the significant level of secured debt, it is very uncertain as to what, if any, recovery unsecured creditors will recover in the CCAA proceedings.

20. On or about July 22, 2009, the Monitor had discussions with the trading desk of TD Securities. Due to the sensitive nature of the information received from TD Securities, such information along with the Monitor's comments are presented in Appendix "A" to this Third Report. The Monitor will seek the approval of this Honourable Court to seal Appendix "A" to this Third Report.

21. The Monitor notes that it has contacted the Agent for the First Lien Lenders and the Agent has advised that it recognizes the importance of Lynch's role in the restructuring process, and is not opposing the KERP Charge.

22. The Monitor has not received notice from the Bank of New York Mellon, the Second Lien Agent that it is opposing the KERP Charge.

23. The Monitor has also not received notice from any other creditor opposing the KERP Charge.

RECOMMENDATION

24. For the reasons set out herein, the Monitor supports the provisions in the Initial Order with respect to the KERP Charge.

All of which is respectfully submitted this 31st day of July, 2009.

ERNST & YOUNG INC.
in its capacity as the Monitor of
Grant Forest Products Inc.,
Grant Alberta Inc.,
Grant Forest Products Sales Inc., and
Grant U.S. Holdings G.P.

Per:

Alex Morrison
Senior Vice President

Appendix A

The Monitor will be seeking a sealing order with respect to the information contained in this Appendix A, at the motion returnable August 6, 2009.

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

Court File No. CV-09-824700CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

THIRD REPORT OF THE MONITOR, ERNST & YOUNG INC.
(Dated July 31, 2009)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC # 24941J
Tel: (416) 869-5662
Kathy Mah LSUC# 51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

EXHIBIT F

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

FOURTH REPORT OF THE MONITOR DATED OCTOBER 8, 2009

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC#: 24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

FOURTH REPORT OF THE MONITOR DATED OCTOBER 8, 2009

INTRODUCTION

1. On June 25, 2009, Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP ("**U.S. Holdings**") (collectively "**Grant**" or the "**Applicants**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants. Pursuant to the Order of this Honourable Court dated June 25, 2009 (the "**Initial Order**"), Ernst & Young Inc. ("**EYI**") was appointed as the Monitor of the Applicants (the "**Monitor**") in the CCAA proceeding. The Initial Order provided for a stay of proceedings through to July 24, 2009. The stay of proceedings was subsequently extended to October 15, 2009 (the "**Stay Period**") pursuant to an Order of this Honourable Court dated July 24, 2009.

PURPOSE

2. The purpose of this Fourth Report of the Monitor (the "**Fourth Report**") is to report to this Honourable Court with respect to:

a. the status of the marketing process as described in the Initial Order (the "**Marketing Process**");

b. actual receipts and disbursements of the Applicants from July 13, 2009 to September 27, 2009 as well as the Applicants' revised cash flow projection from September 28, 2009 to December 6, 2009;

c. the motion by the Applicants to extend the stay period to December 1, 2009; and

d. the Applicants' motion to approve this Fourth Report and the conduct and activities of the Monitor as presented in this Fourth Report

TERMS OF REFERENCE

3. In preparing this Report, the Monitor has been provided with and in making the comments herein relied upon unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants and discussions with management of the Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Fourth Report. Some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

4. Unless otherwise stated all monetary amounts contained herein are expressed in U.S. Dollars.

5. Capitalized terms not defined in this Report are defined in the Initial Order or previous Reports of the Monitor.

BACKGROUND

6. GFPI and certain of its subsidiaries are privately owned corporations carrying on an Oriented Strand Board ("**OSB**") manufacturing business from facilities located in Canada and the U.S. OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from logs and bonded with an exterior-type binder under heat and pressure. The most common uses are sheathing in walls, floors and roofs in the construction of buildings and residential housing.

7. The Applicants and certain of their subsidiaries or other related parties, namely Southeast Properties LLC, Grant Newco LLC, Grant Clarendon LP, Grant Allendale LP, Grant Excluded FP, Grant U.S. Sales Inc. and Footner Forest Products Ltd. ("**Footner**") (collectively, the "**Subsidiaries**"), have a total annual capacity to produce 3.7 billion square feet of OSB, which makes them the third largest OSB manufacturer in North America.

8. The Applicants and the Subsidiaries have interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta. The Applicants and their Subsidiaries also have interests in the Allendale and Clarendon mills located in South Carolina in the United States. The mills located in Englehart and Timmins in Ontario are owned by GFPI and, as such, they are included in Grant's CCAA proceedings. GFPI also has a 50% interest in a mill located at High Level in Alberta. This mill is held by Footner as bare trustee and GFPI owns 50% of the shares of Footner. The Allendale and Clarendon mills in South Carolina are owned by Grant Allendale LP and Grant Clarendon LP respectively, which are 99.9% owned by Southeast Properties LLC, but these mills are indirectly owned by GFPI.

9. As a result of the present market conditions and the reduced demand for OSB and other wood products, only the OSB mills located in Englehart, Ontario and

Allendale, South Carolina, are presently operating. Both the mill in Timmins, Ontario and the mill in High Level, Alberta are idle. The mill in Clarendon, South Carolina is a new mill which is substantially complete but has not yet been put into production.

10. On June 25, 2009, this Honourable Court issued the Initial Order which, among other things, approved the continuation of the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") with services to be provided by Hap Stephen and Sandra Rosch.

STATUS OF THE MARKETING PROCESS

11. The Initial Order provided for the immediate commencement of the Marketing Process in accordance with the protocol attached as Appendix "A" to the Initial Order (the "**Investment Offering Protocol**") to provide interested parties with the opportunity to offer to purchase the business and operations of the Applicants and their Subsidiaries as a going concern or offer to sponsor a plan of arrangement of the Applicants, or any of them.

12. As set out in the Second Report, paragraph 18 of the Initial Order and the Investment Offering Protocol authorized and directed the Applicants to engage an investment offering advisor (the "**Investment Offering Advisor**"), subject to the approval of the Monitor and the Toronto-Dominion Bank, the Agent of the First Lien Lenders (the "**Agent**"), to assist in connection with the conduct of the Marketing Process. Subsequent to the issuance of the Initial Order, the Applicants requested that the Monitor undertake the role of the Investment Offering Advisor. The Agent was also in concurrence with the Monitor fulfilling the Investment Offering Advisor role.

13. As set out in the Second Report, further to the appointment of the Monitor as the Investment Offering Advisor, Grant, the CRA and the Monitor have collectively taken the following steps:

a. Prepared a two page overview of the Applicants' business and operations (the "**Teaser**") and a non-disclosure agreement (the "**NDA**") to be executed by interested parties who plan to participate in the Marketing Process;

b. Set up a data room including materials relevant for assessing the business and operations of the Applicants;

c. Compiled a list of potential interested parties including parties that expressed an interest in Grant's operations prior to the CCAA proceedings and other parties whose interest is known to Grant, the Monitor or the Investment Offering Advisor. The Monitor also requested the Agent and the second lien agent for names to be added to the list of interested parties;

d. Contacted a significant number of potential interested parties by phone and distributed the Teaser and the NDA to these interested parties (or a waiver with respect to a condition in certain NDAs previously executed by interested parties);

e. Negotiated NDAs as required and finalized the bid protocol letter and the expression of interest letter; and

f. Updated Grant's management presentation and presented it to the interested parties who have executed NDAs.

14. At the end of Phase 1 on July 31, 2009, Grant received certain expressions of interest from interested parties. Pursuant to the Initial Order, these expressions of interest were evaluated by the Investment Offering Advisor, the CRA and the Monitor in consultation with an independent committee of the Board of Directors of Grant (the "**Independent Committee**"), and the Agent. Based on the evaluation, a short list of interested parties were invited to Phase II to conduct further due diligence. The Monitor also informed a member of the second lien lenders as to how many parties were being invited into Phase II.

15. During Phase II, interested parties were provided access to Grant's facilities and permitted to conduct further due diligence. The Investment Offering Advisor attended each facility visit and facilitated the due diligence process with the CRA and with the assistance of Grant's management. The Investment Offering Advisor and the CRA also facilitated one on one meetings with each potential bidder and Grant's management.

16. Interested parties initially had until August 30, 2009 to submit revised proposals to the Investment Offering Advisor. In accordance with the Initial Order, this date was subsequently extended to September 11, 2009 by Grant with the consent of the Monitor and the Agent.

17. In accordance with the Initial Order, Grant further extended the date for certain interested parties to complete their due diligence and submit revised proposals to October 2, 2009 and extended the date to file a plan of arrangement and submit the plan to affected creditors or complete an asset purchase agreement and submit the same to the Court for approval, to October 30, 2009. This amendment was consented to by the Monitor and the Agent.

18. The CRA and the Monitor are collectively evaluating the revised proposals received and will review the proposals with the Independent Committee, and in consultation with the Agent and the second lien agent, will select a bidder to proceed to Phase III. The analysis and results of the Marketing Process will be reported to this Honourable Court in the near future.

ACTUAL CASH RECEIPTS AND DISBURSEMENTS

19. A summary of the actual receipts and disbursements as compared to the projection set out in the Second Report, is attached as Appendix "A" to this Fourth Report.

20. The Applicants' actual consolidated net cash inflow for the period from July 13, 2009 to September 27, 2009 was $1.8 million. The actual net cash inflow was higher than projected by approximately $2.2 million primarily as a result of higher than anticipated sales and a stronger Canadian dollar as compared to the

exchange rate used in the projection. Grant has ramped up its production since the commencement of the CCAA proceedings to meet the higher demand for its product.

UPDATED CASH FLOW PROJECTION

21. Grant, with the assistance of the Monitor, had prepared a cash flow projection for the period from September 28, 2009 to December 6, 2009, (the "**Cash Flow Forecast**") a copy of which is attached as Appendix "B" to this Fourth Report.

22. The Cash Flow Forecast attached to this Fourth Report reflects receipts and disbursements to be received or paid over the projection period in U.S. dollars.

23. The Applicants are projecting a net cash outflow of approximately $2.4 million during the projection period prior to transfers of funds to Footner and Grant's U.S. affiliates.

24. During the projection period, Grant estimates that the Applicants will not be required to transfer funds to its U.S. affiliates and will be required to transfer approximately $0.3 million to Footner. Such transfers to these affiliates preserve Grant's interests in these operations.

25. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the proposed stay period as discussed further in this Fourth Report.

STAY EXTENSION

26. The current stay of proceedings under the Initial Order expires on October 15, 2009. The Applicants are seeking an extension of the stay period to December 1, 2009 in order to permit them time to undertake the Marketing Process as set out in the Investment Offering Protocol, undertake the Non-Core Asset Sale Process and continue discussions with their key stakeholders regarding its restructuring alternatives.

27. The updated cash flows described earlier in this Fourth Report which cover the period from September 28, 2009 to December 6, 2009 indicate that the Applicants will have sufficient liquidity to sustain ordinary course operations during the projection period.

28. It is the Monitor's view that the Applicants have acted in accordance with the Initial Order and are working on the Marketing Process diligently. Accordingly, the Monitor is satisfied that the Applicants are acting in good faith and with due diligence.

RECOMMENDATIONS

29. The Applicants are seeking this Honourable Court's authorization for the following:

    a. an extension of the stay of proceedings to December 1, 2009; and

    b. approving the Fourth Report and the conduct and activities of the Monitor as presented in the Fourth Report.

All of which is respectfully submitted this 8th day of October, 2009.

ERNST & YOUNG INC.
in its capacity as the Monitor of
Grant Forest Products Inc.,
Grant Alberta Inc.,
Grant Forest Products Sales Inc., and
Grant U.S. Holdings G.P.

Per:

Alex Morrison
Senior Vice President

APPENDIX A

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Cumulative Combined Receipts and Disbursements
For The Period From July 13 to September 27, 2009
(In Thousands of US Dollars)

	Actual	Projection	Variance	Notes
Opening Bank Balance	28,474	28,474	-	
Receipts				
OSB Sales	29,776	25,459	4,317	1
Wood Sales	1,542	194	1,348	2
GST Collected & Refunds	414	1,249	(835)	3
Interest Income	-	12	(12)	
Other Receipts	752	32	720	4
Total Receipts	32,484	26,946	5,538	
Disbursements				
Payables-Wood	(7,867)	(6,063)	(1,804)	5
Freight	(3,703)	(3,999)	296	6
Other Payables	(9,324)	(7,539)	(1,785)	7
Payroll	(5,538)	(3,968)	(1,570)	8
Utilities & Fuel	(997)	(1,259)	262	9
GST Remittance	(759)	(542)	(217)	10
SG&A	(1,016)	(1,008)	(8)	
Restructuring Costs	(2,369)	(2,509)	141	
Bank Charges	-	(4)	4	
Capex	(4)	(50)	46	
Foreign Exchange Impact	867	(414)	1,281	11
Total Disbursements	(30,710)	(27,355)	(3,355)	
Net Cash Flows	1,775	(409)	2,184	
Inter-Company Transfers:				
Transfer from (to) US Companies	(500)	-	(500)	
Transfers from (to) Footner	(184)	(573)	390	
Total Inter-Company Transfers	(684)	(573)	(110)	
Ending Bank Balance	29,564	27,491	2,073	
Deduct: Restricted Cash	(427)	(388)	(39)	
Ending Cash excluding Restricted Cash	29,137	27,104	2,034	

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Combined Actual Receipts and Disbursements
For Period July 13 to September 27, 2009
Variance Analysis

The actual receipts and disbursements are denominated in US dollars. Canadian dollars are converted to US dollars every week at Thursday's closing exchange rate as published by the Bank of Canada. In the projection, Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.20=US$1.00.

1. **OSB Sales** – The positive variance is primarily due to a) higher than expected sales volume; b) the translation of CDN$ sales into U.S. currency at lower CDN$/US$ exchange rates; c) the collection of overdue June accounts receivables; and d) a change in classification of GST collected. Actual OSB sales include GST collected, which was reflected in the projection under the GST Collected and Refunds line item. Accordingly, this portion of variance reflects a change in classification.

2. **Wood Sales** – The Applicants sold higher than anticipated volumes of certain wood species that are not used in production at Englehart.

3. **GST Collected and Refunds** – The negative variance is as a result of a timing difference related to the Applicants' outstanding August GST refund; a lower than expected June GST refund and the classification of GST collected into the OSB sales line item as described in Note 1.

   The Applicants are awaiting the receipt of its August GST refund that was forecast in this period. Accordingly, this portion of the variance is caused by timing and is expected to reverse in the future. The Canada Revenue Agency re-assessed the Applicants' June GST liability and adjusted the refund for invoices that were stayed as a result of the CCAA.

4. **Other Receipts** – A portion of the favorable variance is related to the classification of payroll reimbursements. Actual receipts include reimbursements of US$380k for payroll and other costs paid by the Applicants on behalf of its affiliates, whereas the projection offset a certain portion of such payroll expense against SG&A. The remainder of the variance represents miscellaneous receipts that were not contemplated in the projection.

5. **Payables Wood** – The Applicants incurred higher costs for purchases of certain wood for the ramp up of production at the Englehart mill, which has been operating at full capacity since July. The increased supply of wood contributed to higher wood sales in the current period as described in Note 2. The unfavourable variance was also increased by an adverse usage variance.

   Further, the lower CDN$/US$ exchange rates contributed to the unfavourable variance as CDN$ disbursements were translated to U.S. currency. Such translation is done for presentation purposes only.

6. **Freight** – This favorable variance is as a result of lower than expected freight costs and timing differences. Actual freight per unit of wood is lower than projected largely because the Applicant's sales to their Canadian customers who are located at closer distance relative to their U.S. customers. The portion of variance that is related to timing is expected to reverse in the future.

7. **Other Payables** – The unfavourable variance reflects a combination of higher production related costs due to higher production volume and the translation of CDN$ disbursements into U.S. currency at the lower CDN$/US$ exchange rates.

8. **Payroll** – The unfavourable variance is primarily due to the employee incentive payments that were not contemplated in the projection. In addition, the Applicants discontinued a significant portion of payroll processing conducted on behalf of their affiliates. A large portion of the unfavourable variance is related to such discontinuation being done later than projected. These costs were reimbursed by the affiliates and therefore there is no cash impact. The remainder of the variance is primarily related to foreign exchange translation and higher than anticipated overtime pay as a result of increased production.

9. **Utilities & Fuel** – The favorable variance is primarily as a result of timing differences and is expected to reverse in the future.

10. **GST Remittance** – The Applicants submitted its August GST remittance that was projected to be paid in the following week. Accordingly, the variance represents a timing difference and is expected to reverse in the future.

11. **Foreign Exchange Impact** –The variance is primarily due to the conversion of the opening Canadian dollar balance to US currency using Thursday's closing rate as published by the Bank of Canada. This balance reflects a holding foreign exchange difference on the opening Canadian dollar cash balance as of July 13, 2009.

APPENDIX B

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants") Consolidated Cash Flow Projection
For The Period From September 28, 2009 to December 6, 2009
(In Thousands of US Dollars)

Week Ending	Notes	4-Oct	11-Oct	18-Oct	25-Oct	1-Nov	8-Nov	15-Nov	22-Nov	29-Nov	6-Dec	Total
Opening Bank Balance	1	29,564	29,393	29,546	29,167	28,033	27,960	24,445	25,312	24,223	24,144	29,564
Receipts												
OSB Sales	2	3,071	2,196	2,428	1,596	1,995	1,995	1,995	1,545	1,545	1,159	19,524
Wood Sales	3	226	-	-	-	-	44	-	22	-	22	313
GST Refunds	4	352	-	-	-	235	-	-	-	235	-	822
Interest Income	5	-	-	-	-	-	6	-	-	-	5	11
Other Receipts	6	58	7	27	7	7	7	27	7	7	7	161
Corporate Tax Refund	7	-	-	-	-	-	-	-	-	-	14,444	14,444
Total Receipts		3,708	2,203	2,455	1,603	2,237	2,051	2,021	1,574	1,788	15,638	35,276
Disbursements												
Payables-Wood	8	(2,093)	-	(1,601)	-	-	(2,673)	-	(1,004)	-	(1,069)	(8,440)
Freight	9	(99)	(528)	(120)	(418)	(120)	(478)	(120)	(358)	(120)	(239)	(2,600)
Other Payables	10	(752)	(634)	(731)	(742)	(703)	(550)	(711)	(594)	(536)	(582)	(6,534)
Payroll	11	(31)	(600)	(14)	(623)	(14)	(1,638)	(14)	(619)	(14)	(777)	(4,344)
Utilities & Fuel	12	(599)	(70)	89	(628)	(220)	142	(64)	321	(692)	46	(1,677)
GST Remittance	13	-	-	(197)	-	-	-	-	(141)	-	-	(338)
SG&A	14	(53)	(66)	(103)	(114)	(786)	(186)	(68)	(110)	(150)	(78)	(1,714)
Restructuring Costs	15	(206)	(151)	(151)	(157)	(302)	(132)	(132)	(133)	(254)	(86)	(1,704)
Bank Charges	16	-	-	-	-	(144)	(13)	-	-	-	(13)	(171)
Capex	17	-	-	-	-	-	(25)	(25)	(25)	(25)	(50)	(150)
Transfer to Escrow with respect to the tax refund	7										(10,000)	(10,000)
Foreign Exchange Impact	18	25	-	-	-	-	-	-	-	-	-	25
Total Disbursements		(3,808)	(2,049)	(2,827)	(2,681)	(2,289)	(5,554)	(1,134)	(2,663)	(1,791)	(12,848)	(37,644)
Net Weekly Cash Flows		(100)	153	(372)	(1,079)	(52)	(3,503)	887	(1,089)	(4)	2,790	(2,368)
Inter-Company Transfers:												
Transfer from (to) US Companies	19	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) Footner	20	(71)	-	(6)	(56)	(20)	(13)	(20)	-	(76)	(13)	(275)
Total Inter-Company Transfers		(71)	-	(6)	(56)	(20)	(13)	(20)	-	(76)	(13)	(275)
Ending Bank Balance		29,393	29,546	29,167	28,033	27,960	24,445	25,312	24,223	24,144	26,921	26,921
Deduct: Restricted Cash	21	(431)	(431)	(431)	(431)	(431)	(431)	(431)	(431)	(431)	(431)	(431)
Ending Cash excluding Restricted Cash		28,962	29,115	28,737	27,602	27,530	24,014	24,881	23,793	23,713	26,491	26,491
Funds in Escrow with respect to the tax refund	7										10,000	10,000

In the Matter of the CCAA of Grant Forest Products Inc. Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Grant" or the "Applicants")
Notes to the Unaudited Cash Flows Projection

Disclaimer:

In preparing this cash flow projection (the "Cash Flow Forecast"), the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the mills and additional assumptions discussed below with respect to the requirements. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast reflects cash flows from Grant's operations including inter-company transfers to and from the mill at Footner and Grant's U.S. operations. The Applicants with the assistance of the Monitor have prepared the Cash Flow Forecast based primarily on historical results and Grant's current business plan. Receipts and disbursements are denominated in both Canadian and US dollars; however the consolidated cash flow is presented in U.S. dollars. Canadian dollars are converted to US dollars at the exchange rate of CDN$1.08 = US$1.00.

The Cash Flow Forecast assumes that three of Grant's mills, specifically, Timmins, Footner and Clarendon continue to remain closed during the Cash Flow Forecast period. The Cash Flow Forecast also assumes that no interest will be paid to the lenders during the projection period.

Assumptions:

1) **Opening Balance:**
   This is the anticipated opening cash balance of the Applicants at the commencement of the stay extension period and includes funds held in Canadian dollars and U.S. dollars that were converted into U.S. dollars at the exchange rate noted above.

2) **Sales Receipts:**
   OSB Sales are calculated as the product of the projected volume and the projected price per unit. The projected volume is estimated based on Grant's historical volumes with a discount for the decline in sales as a result of the slower U.S. housing market as compared to previous years. The projected sales price per unit is

estimated using historical pricing data by Grant's sales department and market forecasts published by independent services. Further amounts estimated for freight and GST (for sales in Canada) are added to the unit price to arrive at the gross price per unit. Grant assumes that sales are collected in two weeks, based on recent historical run rates.

3) **Wood Sales Receipts:**
Wood sales receipts represent receipts from sales of wood not utilized in the production process. It is anticipated that such sales and the corresponding receipts will not be significant during the projection period.

4) **GST Refunds:**
Grant is typically in a net refund position as GST remittances are offset by potential input tax credits.

5) **Interest Income:**
Interest income is estimated at 0.25% of the previous month's bank balance and is projected to be received in the first week of each month.

6) **Other Receipts:**
Other Receipts include certain intercompany reimbursements and other miscellaneous receipts.

7) **Corporate Tax Refund :**
Grant anticipates receiving a tax refund of approximately $14.44 million based on its income tax return filed with the Canada Revenue Agency. Approximately $10.0 million of this anticipated tax refund is required to be held in escrow further to an endorsement of Justice Newbold on October 5, 2009, pending a Court decision on the motion of Mr. Peter Grant Sr. with respect to such amount.

8) **Payables – Wood:**
The cost of wood is estimated based on recent historical run rates and current production levels. In addition to the cost of wood, the company pays freight, which fluctuates slightly on a weekly basis.

9) **Freight:**
Freight costs are recovered from customers, however, Grant pays freight costs approximately a week after the sales are made and recovers these amounts from customers in two weeks, at the same time as payment for product as described in note 2 above.

10) **Other Payables:**
Other payables represent suppliers not included in other specific line items. Payables primarily include payments to suppliers for resin, wax, repairs & maintenance, packaging, and contract labour.

11) Payroll:

Payroll represents bonus and payroll costs including deductions for all executives and employees and is forecast based on historical run rates. Both salaried and hourly employees are paid bi-weekly through direct deposits. Grant has outsourced its payroll services to ADP. ADP is usually funded a few days prior to the payroll date. Included in the payroll line item are costs for benefits and pension.

12) Utilities & Fuel:

Utilities represent costs for electricity and natural gas. These costs are estimated based on recent historical run rates and production levels.

Fuel represents costs of refuelling both Grant owned vehicles and independent truckers that deliver wood to Englehart and finished goods to customers. The Cash Flow Forecast includes recoveries of fuel costs from freight transport companies who use Grant's fuel pump at Englehart and the highway card lock system.

13) GST Remittance:

GST Remittance represents anticipated GST remittances of GFPSI based on projected sales. Typically, Grant on a net consolidated basis is in a GST refund position; however, the sales company is in a payable position as it has no input tax credits.

14) SG&A:

SG&A represents costs for rent, property tax, equipment rentals, general repairs and maintenance, office supplies, travel and insurance.

15) Restructuring Costs:

Restructuring costs include costs related to Grant's advisors and their counsel and the Monitor and its counsel.

16) Bank Charges:

No interest is projected to be paid to the lenders during the projection period. This line item includes agency fees for the first lien lenders.

17) Capex:

Capex costs represent payments for anticipated capital expenditures.

18) Foreign Exchange Impact:

Foreign Exchange Impact represents the difference in the exchange rate between the opening cash balance in which Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.089 = US$1.00 and the Cash Flow Forecast exchange rate of CDN$1.08 = US$1.00.

19) **Transfer from (to) US Companies:**
Represents intercompany funding between Allendale and Clarendon and the Applicants. During the projection period, it is currently projected that Allendale and Clarendon will not require funding from the Applicants.

20) **Transfers from (to) Footner:**
Represents intercompany funding between Footner and the Applicants. During the projection period, it is currently projected that Footner will require approximately $275,000 in funding from the Applicants.

21) **Restricted Cash:**
Represents approximately $431,000 of restricted cash held as a reserve for certain letters of credit issued by the Applicants.

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

Court File No. CV-09-824700CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

FOURTH REPORT OF THE MONITOR, ERNST & YOUNG INC.
(Dated OCTOBER 8, 2009)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC # 24941J
Tel: (416) 869-5662
Kathy Mah LSUC# 51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

5565862 v1

EXHIBIT G

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

FIFTH REPORT OF THE MONITOR
DATED NOVEMBER 26, 2009

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC#: 24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

Court File No.: CV-09-824700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

FIFTH REPORT OF THE MONITOR DATED NOVEMBER 26, 2009

INTRODUCTION

1. On June 25, 2009, Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP ("**U.S. Holdings**") (collectively "**Grant**" or the "**Applicants**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants. Pursuant to the Order of this Honourable Court dated June 25, 2009 (the "**Initial Order**"), Ernst & Young Inc. ("**EYI**") was appointed as the Monitor of the Applicants (the "**Monitor**") in the CCAA proceeding. The Initial Order provided for a stay of proceedings through to July 24, 2009. The stay of proceedings was subsequently extended to December 1, 2009 (the "**Stay Period**") pursuant to an Order of this Honourable Court dated October 13, 2009.

PURPOSE

2. The purpose of this Fifth Report of the Monitor (the "**Fifth Report**") is to report to this Honourable Court with respect to:

a. the status of the marketing process as described in the Initial Order (the "**Marketing Process**");

b. actual receipts and disbursements of the Applicants from September 28, 2009 to November 15, 2009 as well as the Applicants' revised cash flow projection from November 16, 2009 to February 28, 2010;

c. the motion by the Applicants to extend the stay period to February 26, 2010; and

d. the Applicants' motion to approve this Fifth Report and the conduct and activities of the Monitor as presented in this Fifth Report.

TERMS OF REFERENCE

3. In preparing this Report, the Monitor has been provided with and in making the comments herein relied upon unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants and discussions with management of the Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Fifth Report. Some of the information referred to in this Fifth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

4. Unless otherwise stated all monetary amounts contained herein are expressed in U.S. Dollars.

5. Capitalized terms not defined in this Report are defined in the Initial Order or previous Reports of the Monitor.

BACKGROUND

6. GFPI and certain of its subsidiaries are privately owned corporations carrying on an Oriented Strand Board (**"OSB"**) manufacturing business from facilities located in Canada and the U.S. OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from logs and bonded with an exterior-type binder under heat and pressure. The most common uses are sheathing in walls, floors and roofs in the construction of buildings and residential housing.

7. The Applicants and certain of their subsidiaries or other related parties, namely Southeast Properties LLC, Grant Newco LLC, Grant Clarendon LP, Grant Allendale LP, Grant Excluded FP, Grant U.S. Sales Inc. and Footner Forest Products Ltd. (**"Footner"**) (collectively, the **"Subsidiaries"**), have a total annual capacity to produce 3.7 billion square feet of OSB, which makes them the third largest OSB manufacturer in North America.

8. The Applicants and the Subsidiaries have interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta. The Applicants and their Subsidiaries also have interests in the Allendale and Clarendon mills located in South Carolina in the United States. The mills located in Englehart and Timmins in Ontario are owned by GFPI and, as such, they are included in Grant's CCAA proceedings. GFPI also has a 50% interest in a mill located at High Level in Alberta. This mill is held by Footner as bare trustee and GFPI owns 50% of the shares of Footner. The Allendale and Clarendon mills in South Carolina are owned by Grant Allendale LP and Grant Clarendon LP respectively, which are 99.9% owned by Southeast Properties LLC, but these mills are indirectly owned by GFPI.

9. As a result of the present market conditions and the reduced demand for OSB and other wood products, only the OSB mills located in Englehart, Ontario and

Allendale, South Carolina, are presently operating. Both the mill in Timmins, Ontario and the mill in High Level, Alberta are idle. The mill in Clarendon, South Carolina is a new mill which is substantially complete but has not yet been put into production.

10. On June 25, 2009, this Honourable Court issued the Initial Order which, among other things, approved the continuation of the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") with services to be provided by Hap Stephen and Sandra Rosch.

STATUS OF THE MARKETING PROCESS

11. The Initial Order provided for the immediate commencement of the Marketing Process in accordance with the protocol attached as Appendix "A" to the Initial Order (the "**Investment Offering Protocol**") to provide interested parties with the opportunity to offer to purchase the business and operations of the Applicants and their Subsidiaries as a going concern or offer to sponsor a plan of arrangement of the Applicants, or any of them.

12. As set out in the Second Report, paragraph 18 of the Initial Order and the Investment Offering Protocol authorized and directed the Applicants to engage an investment offering advisor (the "**Investment Offering Advisor**"), subject to the approval of the Monitor and the Toronto-Dominion Bank, the agent of the First Lien Lenders Syndicate (the "**Agent**") who were owed approximately $400 million plus accrued interest as of the date of the CCAA filing (the "**First Lien Lenders**") to assist in connection with the conduct of the Marketing Process. Subsequent to the issuance of the Initial Order, the Applicants requested that the Monitor undertake the role of the Investment Offering Advisor. The Agent was also in concurrence with the Monitor fulfilling the Investment Offering Advisor role.

13. As set out in the Second Report, further to the appointment of the Monitor as the Investment Offering Advisor, Grant, the CRA and the Monitor have collectively taken the following steps:

a. Prepared a two page overview of the Applicants' business and operations (the "**Teaser**") and a non-disclosure agreement (the "**NDA**") to be executed by interested parties who plan to participate in the Marketing Process;

b. Set up a data room including materials relevant for assessing the business and operations of the Applicants;

c. Compiled a list of potential interested parties including parties that expressed an interest in Grant's operations prior to the CCAA proceedings and other parties whose interest is known to Grant, the Monitor or the Investment Offering Advisor. The Monitor also requested the Agent and the agent (the "**Second Lien Lenders' Agent**") for the Second Lien Lenders' Syndicate (the "**Second Lien Lenders**") for names to be added to the list of interested parties;

d. Contacted a significant number of potential interested parties by phone and distributed the Teaser and the NDA to these interested parties (or a waiver with respect to a condition in certain NDAs previously executed by interested parties);

e. Negotiated NDAs as required and finalized the bid protocol letter and the expression of interest letter; and

f. Updated Grant's management presentation and presented it to the interested parties who have executed NDAs.

14. As set out in the Fourth Report, at the end of Phase 1 on July 31, 2009, Grant received certain expressions of interest from interested parties. Pursuant to the Initial Order, these expressions of interest were evaluated by the Investment Offering Advisor, the CRA and the Monitor in consultation with an independent committee of the Board of Directors of Grant (the "**Independent Committee**"), and the Agent. Based on the evaluation, a short list of interested parties were invited to Phase II to conduct further due diligence. The Monitor also informed a member of the Second Lien Lenders as to how many parties were being invited into Phase II.

15. As set out in the Fourth Report, during Phase II, interested parties were provided access to Grant's facilities and permitted to conduct further due diligence. The Investment Offering Advisor attended each facility visit and facilitated the due diligence process with the CRA and with the assistance of Grant's management. The Investment Offering Advisor and the CRA also facilitated one on one meetings with each potential bidder and Grant's management.

16. As discussed in the Fourth Report, interested parties had until September 11, 2009 to submit revised proposals to the Investment Offering Advisor. In accordance with the Initial Order, Grant further extended the date for certain interested parties to complete their due diligence and submit revised proposals to October 2, 2009 and extended the date to file a plan of arrangement and submit the plan to affected creditors or complete an asset purchase agreement and submit the same to the Court for approval, to December 15, 2009. This amendment was consented to by the Monitor and the Agent.

17. At the end of Phase II on October 2, 2009, the Investment Offering Advisor received revised bids from certain parties. Pursuant to the Initial Order, these revised bids were evaluated by the Investment Offering Advisor, the CRA and the Monitor in consultation with the Independent Committee, the Agent, and a steering committee of the First Lien Lenders. In addition, the Monitor and the CRA contacted the Second Lien Lenders' Agent to inform the Second Lien

Lenders' Agent that the Monitor and the CRA would review the bids received in Phase II with the Second Lien Lenders' members who were prepared to agree that the confidentiality provisions of the second lien credit agreement dated as of March 21, 2007, as amended by an agreement dated as of April 30, 2009, would apply to any information received in respect to the bids and the Marketing Process. On October 15, 2009, the Monitor and the CRA conducted a conference call with those second lien lenders who confirmed confidentiality to review the status of the Marketing Process and the bids received.

18. A single party (the "**Selected Party**") was invited to Phase III and GFPI entered into an exclusivity agreement with the Selected Party on October 20, 2009, which requires GFPI to refrain from seeking bids, responding to or negotiating with any party other than the Selected Party with respect to the items included in the bid of the Selected Party. The exclusivity agreement has a termination date of December 11, 2009 to enable GFPI and the Selected Party to negotiate a purchase and sale agreement, which process is currently underway. The analysis and results of the Marketing Process will be reported to this Honourable Court in the near future, once a purchase and sale agreement is finalized, subject to approval of this Honourable Court.

ACTUAL CASH RECEIPTS AND DISBURSEMENTS

19. A summary of the actual receipts and disbursements as compared to the projection set out in the Fourth Report, is attached as Appendix "**A**" to this Fifth Report.

20. The Applicants' actual consolidated net cash outflow for the period from September 28, 2009 to November 15, 2009 was $0.3 million. The actual net cash outflow was better than projected by approximately $3.7 million primarily as a result of higher than anticipated OSB and wood sales and a timing delay in the payment of production bonus disbursements to OSB employees. Grant has increased its production levels since the commencement of the CCAA proceedings to meet the higher demand for its product.

UPDATED CASH FLOW PROJECTION

21. Grant, with the assistance of the Monitor, had prepared a cash flow projection for the period from November 16, 2009 to February 28, 2009, (the "**Cash Flow Forecast**") a copy of which is attached as Appendix "**B**" to this Fifth Report.

22. The Cash Flow Forecast attached to this Fifth Report reflects receipts and disbursements to be received or paid over the projection period in U.S. dollars.

23. The Applicants are projecting a net cash outflow of approximately $13.0 million during the projection period prior to transfers of funds to Footner and Grant's U.S. affiliates. The net cash outflow of approximately $13.0 million during the Cash Flow Forecast period is primarily due to the seasonal decrease in OSB sales and the seasonal increase in fibre purchases. The increased fibre purchases during the winter months is typical in the forestry industry in Canada as it is cost efficient and easier to cut and transport timber from the forest during the winter months. Of the total projected disbursements of approximately $17.5 million for timber during the Cash Flow Forecast period, approximately $9.5 million relates to a seasonal increase in fibre inventory, which will be eventually consumed during the spring and summer months.

24. During the projection period, Grant estimates that the Applicants will be required to transfer approximately $2.7 million to its U.S. affiliates primarily due to property tax payments in South Carolina and other working capital requirements. In addition, the Applicants will be required to transfer approximately $0.4 million to Footner. Such transfers to these affiliates preserve Grant's interests in these operations, and is permitted by the Initial Order.

25. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the proposed stay period as discussed further in this Fifth Report.

STAY EXTENSION

26. The current stay of proceedings under the Initial Order expires on December 1, 2009. The Applicants are seeking an extension of the Stay Period to February 26, 2010 in order to permit them time to undertake the Marketing Process as set out in the Investment Offering Protocol, undertake the Non-Core Asset Sale Process, as discussed in the Second Report, and continue discussions with their key stakeholders regarding its restructuring alternatives.

27. The updated cash flows described earlier in this Fifth Report which cover the period from November 16, 2009 to February 26, 2010 indicate that the Applicants will have sufficient liquidity to sustain ordinary course operations during the projection period.

28. It is the Monitor's view that the Applicants have acted in accordance with the Initial Order and are working on the Marketing Process diligently. Accordingly, the Monitor is satisfied that the Applicants are acting in good faith and with due diligence.

RECOMMENDATIONS

29. The Applicants are seeking this Honourable Court's authorization for the following:

   a. an extension of the stay of proceedings to February 26, 2010; and

   b. approving the Fifth Report and the conduct and activities of the Monitor as presented in the Fifth Report.

30. The Monitor recommends that this Honourable Court grant the relief sought by the Applicants.

All of which is respectfully submitted this 26th day of November, 2009.

ERNST & YOUNG INC.
in its capacity as the Monitor of
Grant Forest Products Inc.,
Grant Alberta Inc.,
Grant Forest Products Sales Inc., and
Grant U.S. Holdings G.P.

Per:

Alex Morrison
Senior Vice President

Simone Carvalho
Vice President

APPENDIX A

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Cumulative Combined Receipts and Disbursements
For The Period From September 28 to November 15, 2009
(In Thousands of US Dollars)

	Actual	Projection	Variance	Notes
Opening Bank Balance	29,564	29,564	-	
Receipts				
OSB Sales	17,106	15,274	1,831	1
Wood Sales	1,395	270	1,126	2
GST Collected & Refunds	1,205	587	618	3
Interest Income	-	6	(6)	
Other Receipts	296	140	156	
Total Receipts	20,002	16,277	3,725	
Disbursements				
Payables-Fibre	(6,674)	(6,367)	(306)	4
Freight	(2,217)	(1,883)	(334)	5
Other Payables	(5,336)	(4,822)	(514)	6
Payroll	(2,108)	(2,934)	826	7
Utilities & Fuel	(1,523)	(1,351)	(171)	8
GST Remittance	(493)	(197)	(296)	9
SG&A	(554)	(1,376)	822	10
Restructuring Costs	(1,309)	(1,231)	(78)	
Bank Charges	(63)	(157)	94	
Capex	-	(50)	50	
Foreign Exchange Impact	(68)	25	(93)	
Total Disbursements	(20,344)	(20,343)	(1)	
Net Cash Flows	(342)	(4,066)	3,723	
Inter-Company Transfers:				
Transfer from (to) US Companies	-	-	-	
Transfers from (to) Footner	(209)	(186)	(23)	
Total Inter-Company Transfers	(209)	(186)	(23)	
Ending Bank Balance	29,013	25,312	3,701	
Deduct: Restricted Cash	(440)	(431)	(10)	
Ending Cash excluding Restricted Cash	28,573	24,881	3,691	

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants")
Combined Actual Receipts and Disbursements
For The Period September 28 to November 15, 2009
Variance Analysis

The actual receipts and disbursements are denominated in U.S. dollars. Canadian dollars are converted to U.S. dollars every week at Thursday's closing exchange rate as published by the Bank of Canada. In the projection, Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.08=US$1.00.

1. **OSB Sales** – The positive variance is primarily due to a higher than anticipated OSB sales volume. The remainder of the variance relates to a timing difference and the translation of Canadian currency sales into U.S. currency at lower than projected CDN$/US$ exchange rates.

2. **Wood Sales** – The positive variance is primarily due to the sale of higher than anticipated volumes of certain wood logs that are not used for production at Englehart.

3. **GST Collected & Refund** –The positive variance is due to a higher than projected September and October GST refund.

4. **Fibre Payables** – The unfavourable variance is as a result of higher than anticipated volumes of wood received and the foreign exchange impact related to the translation of CDN$ disbursements into U.S. dollars at lower CDN$/US$ exchange rates. The increased supply of wood contributed to higher wood sales in the current period as described in Note 2.

5. **Freight** – The unfavourable variance is primarily due to higher than expected sales volumes as described in Note 1.

6. **Other payables** – The unfavourable variance is primarily due to higher production related costs as a result of increased production volumes, increased prepayment terms with suppliers, and timing differences. The portion of variance that is related to timing is expected to reverse in the future.

7. **Payroll** – The favourable variance is due to a delay in the payment of the third quarter production bonus to the OSB employees.

8. **Utilities & Fuel** – The unfavourable variance is due to timing differences and is expected to reverse in the future.

9. **GST Remittance** – The unfavourable variance is as a result of timing differences and is expected to reverse in the future.

10. **SG&A** – The favourable variance is as a result of timing differences and is expected to reverse in the future.

APPENDIX B

Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Applicants") Consolidated Cash Flow Projection
For The Period From November 16, 2009 to February 28, 2010
(In Thousands of US Dollars)

Week Ending	Notes	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb	28-Feb	Total
Opening Bank Balance	1	29,013	26,557	26,487	24,277	24,974	23,723	25,261	25,425	22,673	18,699	31,984	22,566	19,232	17,393	13,228	29,013
Receipts																	
OSB Sales	2	2,578	1,722	2,927	2,003	2,804	2,804	2,003	801	0	1,164	1,047	1,396	1,047	1,282	1,442	25,020
Wood Sales	3	101	101	101	101	101	101	-	90	90	90	90	86	86	86	86	1,310
GST Refunds	4	-	-	-	-	-	400	-	-	-	-	350	-	-	-	322	1,072
Interest Income	5	-	-	6	-	-	-	-	5	-	-	-	5	-	-	-	16
Other Receipts	6	-	8	-	21	-	-	-	-	-	-	-	-	-	-	-	29
Corporate Tax Refund	7	-	-	-	-	-	-	-	-	-	13,714	(9,300)	-	(6)	-	-	4,408
Total Receipts		2,679	1,830	3,033	2,125	2,905	3,305	2,003	897	91	14,968	(7,812)	1,487	1,127	1,368	1,850	31,855
Disbursements																	
Payables-Fibre	8	(1,745)	-	(1,942)	-	(1,786)	-	-	(1,930)	(2,547)	(43)	-	(3,435)	-	(4,100)	-	(17,528)
Freight	9	(514)	(120)	(611)	(120)	(712)	(120)	(296)	0	(59)	(219)	(254)	(254)	(231)	(284)	(308)	(4,104)
Other Payables	10	(944)	(644)	(852)	(850)	(980)	(452)	(229)	(459)	(363)	(498)	(334)	(393)	(542)	(467)	(502)	(8,509)
Payroll	11	(611)	(14)	(1,580)	(14)	(583)	(14)	(910)	(51)	(649)	(33)	(646)	(304)	(1,267)	(33)	(646)	(7,357)
Utilities & Fuel	12	(477)	(134)	45	(196)	131	(643)	(146)	10	(30)	(471)	(54)	(147)	(49)	(33)	(410)	(2,605)
GST Remittance	13	-	-	-	-	-	(171)	-	-	-	(159)	-	-	-	-	(88)	(418)
SG&A	14	(693)	(72)	(197)	(117)	(75)	(84)	(118)	(96)	(82)	(129)	(84)	(111)	(163)	(82)	(84)	(2,186)
Restructuring Costs	15	(155)	(305)	(79)	(109)	(119)	(219)	(109)	(90)	(90)	(90)	(190)	(103)	(103)	(103)	(203)	(2,064)
Bank Charges	16	-	(83)	(14)	-	-	-	(14)	-	-	-	-	(14)	-	-	-	(124)
Transfer to Escrow with respect to the tax refund	7																-
Foreign Exchange Impact	17	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14
Total Disbursements		(5,126)	(1,372)	(5,230)	(1,407)	(4,123)	(1,703)	(1,821)	(2,617)	(3,819)	(1,642)	(1,563)	(4,762)	(2,355)	(5,102)	(2,240)	(44,881)
Net Weekly Cash Flows		(2,447)	458	(2,197)	718	(1,218)	1,602	181	(1,720)	(3,728)	13,326	(9,375)	(3,274)	(1,228)	(3,734)	(390)	(13,025)
Inter-Company Transfers:																	
Transfer from (to) US Companies	18	-	(450)	-	-	-	-	-	(1,014)	(245)	-	-	(38)	(612)	(390)	-	(2,749)
Transfers from (to) Footner	19	(10)	(78)	(13)	(21)	(33)	(64)	(18)	(18)	(0)	(42)	(42)	(21)	-	(41)	(32)	(433)
Total Inter-Company Transfers		(10)	(528)	(13)	(21)	(33)	(64)	(18)	(1,032)	(245)	(42)	(42)	(60)	(612)	(431)	(32)	(3,182)
Ending Bank Balance		26,557	26,487	24,277	24,974	23,723	25,261	25,425	22,672	18,699	31,984	22,566	19,232	17,393	13,228	12,806	12,805
Deduct: Restricted Cash	20	(443)	(443)	(443)	(443)	(805)	(805)	(805)	(805)	(805)	(805)	(805)	(805)	(805)	(805)	(805)	(805)
Ending Cash excluding Restricted Cash		26,114	26,044	23,834	24,531	22,918	24,456	24,620	21,868	17,895	31,179	21,761	18,427	16,588	12,423	12,001	12,001

In the Matter of the CCAA of Grant Forest Products Inc. Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP. ("Grant" or the "Applicants")
Notes to the Unaudited Cash Flows Projection

Disclaimer:

In preparing this cash flow projection (the "Cash Flow Forecast"), the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the mills and additional assumptions discussed below with respect to the requirements. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast reflects cash flows from Grant's operations including inter-company transfers to and from the mill at Footner and Grant's U.S. operations. The Applicants with the assistance of the Monitor have prepared the Cash Flow Forecast based primarily on historical results and Grant's current business plan. Receipts and disbursements are denominated in both Canadian and US dollars; however the consolidated cash flow is presented in U.S. dollars. Canadian dollars are converted to US dollars at the exchange rate of CDN$1.05 = US$1.00.

The Cash Flow Forecast assumes that three of Grant's mills, specifically, Timmins, Footner and Clarendon continue to remain closed during the Cash Flow Forecast period. The Cash Flow Forecast also assumes that no interest will be paid to the lenders during the projection period.

Assumptions:

1) **Opening Balance:**
   This is the anticipated opening cash balance of the Applicants at the commencement of the stay extension period and includes funds held in Canadian dollars and U.S. dollars that were converted into U.S. dollars at the exchange rate noted above.

2) **Sales Receipts:**
   OSB Sales are calculated as the product of the projected volume and the projected price per unit. The projected volume is estimated based on Grant's historical volumes with a discount for the decline in sales as a result of the slower U.S. housing market as compared to previous years. The projected sales price per unit is

estimated using historical pricing data by Grant's sales department and market forecasts published by independent services. Further amounts estimated for freight and GST (for sales in Canada) are added to the unit price to arrive at the gross price per unit. Grant assumes that sales are collected in two weeks, based on recent historical run rates.

3) **Wood Sales Receipts:**
Wood sales receipts represent receipts from sales of wood not utilized in Grant's production process.

4) **GST Refunds:**
Grant is typically in a net refund position as GST remittances are offset by potential input tax credits.

5) **Interest Income:**
Interest income is estimated at 0.25% of the previous month's bank balance and is projected to be received in the first week of each month.

6) **Other Receipts:**
Other Receipts include miscellaneous receipts.

7) **Corporate Tax Refund :**
Grant anticipates receiving a tax refund of approximately $13.71 million for this projection period based on its income tax return filed with the Canada Revenue Agency. Approximately $9.3 million of this anticipated tax refund will be paid to Peter Grant Sr. further to an endorsement of Justice Newbold on October 13, 2009.

8) **Payables – Fibre:**
The cost of wood is estimated based on recent historical run rates and current production levels. The increased fibre purchases during the winter months is typical in the forestry industry in Canada as it is cost efficient and easier to cut and transport timber from the forest during the winter months.. In addition to the cost of wood, the company pays freight on such wood, which fluctuates slightly on a weekly basis.

9) **Freight:**
Freight costs are recovered from customers, however, Grant pays freight costs approximately a week after the sales are made and recovers these amounts from customers in two weeks, at the same time as payment for product sold as described in note 2 above.

10) **Other Payables:**
Other payables represent suppliers not included in other specific line items. Payables primarily include payments to suppliers for resin, wax, repairs & maintenance, packaging, and contract labour.

11) **Payroll:**

Payroll represents bonus and payroll costs including deductions for all executives and employees and is forecast based on historical run rates. Both salaried and hourly employees are paid bi-weekly through direct deposits. Grant has outsourced its payroll services to ADP. ADP is usually funded a few days prior to the payroll date. Included in the payroll line item are costs for benefits and pension.

12) **Utilities & Fuel:**

Utilities represent costs for electricity and natural gas. These costs are estimated based on recent historical run rates and production levels.

Fuel represents costs of refuelling both Grant owned vehicles and independent truckers that deliver wood to Englehart and finished goods to customers. The Cash Flow Forecast includes recoveries of fuel costs from freight transport companies who use Grant's fuel pump at Englehart and the highway card lock system.

13) **GST Remittance:**

GST Remittance represents anticipated GST remittances of GFPSI based on projected sales. Typically, Grant on a net consolidated basis is in a GST refund position; however, the sales company is in a payable position as it has no input tax credits.

14) **SG&A:**

SG&A represents costs for rent, property tax, equipment rentals, general repairs and maintenance, office supplies, travel and insurance premiums.

15) **Restructuring Costs:**

Restructuring costs include costs related to Grant's advisors and their counsel and the Monitor and its counsel.

16) **Bank Charges:**

No interest is projected to be paid to the lenders during the projection period. This line item includes agency fees for the first lien lenders.

17) **Foreign Exchange Impact:**

Foreign Exchange Impact represents the difference in the exchange rate between the opening cash balance in which Canadian dollars are converted to U.S. dollars at the exchange rate of CDN$1.0516 = US$1.00 and the Cash Flow Forecast exchange rate of CDN$1.05 = US$1.00.

18) **Transfer from (to) US Companies:**

Represents intercompany funding between Allendale and Clarendon and the Applicants. During the projection period, it is currently projected that Allendale and Clarendon will require approximately $2.7 million of funding from the

Applicants. This amount is primarily related to Property taxes arising in South Carolina and other working capital requirements.

19) Transfers from (to) Footner:
Represents intercompany funding between Footner and the Applicants. During the projection period, it is currently projected that Footner will require approximately $433,000 in funding from the Applicants.

20) Restricted Cash:
Represents approximately $805,000 of restricted cash held as a reserve for certain letters of credit issued by the Applicants. At the start of the forecast the amount is $443,000.

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

Court File No. CV-09-824700CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

FFITH REPORT OF THE MONITOR, ERNST & YOUNG INC.
(Dated NOVEMBER 26, 2009)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC # 24941J
Tel: (416) 869-5662
Kathy Mah LSUC# 51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

EXHIBIT H

Court File No.: CV-09-824700CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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 GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

Applicants

SIXTH REPORT OF THE MONITOR DATED JANUARY 15, 2010

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean Dunphy LSUC#: 24941J
Tel: (416) 869-5662
Kathy Mah LSUC#51077W
Tel: (416) 869-5652
Fax: (416) 947-0866

Solicitors for the Monitor, Ernst & Young Inc.

TO: THE ATTACHED SERVICE LIST

SERVICE LIST

TO: **1286851 ONTARIO LTD.**
953 Government Road West
P.O. Box 753
Kirkland Lake, Ontario
P2N 3K1

Terry Rosko, Director

AND TO: **498503 ONT. INC.**
C/O W. Paiement & Sons Ltd.
General Delivery
Earlton, Ontario
P0J 1E0

Mr. Patrick Paiement
Telephone: 705 563-2253
Facsimile: 705 563-2588
E-mail: patpaiement22@ntl.sympatico.ca

AND TO: **ABITIBI RIVER FOREST MANAGEMENT INC.**
15 Balsam Street South
Timmins, Ontario
P4N 2C7

Luc Maisonneuve
Telephone: 705 264-2385
E-mail: luc.maisonneuve@rmlglaw.com

AND TO: **ABITIBI-CONSOLIDATED COMPANY OF CANADA**
Iroquois Falls Division
1 Park Street
Iroquois Falls, Ontario
P0K 1E0

Woodlands Manager
Telephone: 705 258-3931
Facsimile: 705 258-3187
E-mail: rob_tomchick@abitibiconsolidated.com

AND TO: **ANGELO, GORDON & CO.**
245 Park Avenue, 26th Floor
New York, NY 10167

Maureen D'Alleva
E-mail: mdalleva@angelogordon.com

For NORTHWOODS CAPITAL IV, LIMITED, NORTHWOODS CAPITAL V, LIMITED, NORTHWOODS CAPITAL VI, LIMITED, NORTHWOODS CAPITAL VII, LIMITED, NORTHWOODS CAPITAL VIII, LTD. AND SILVER OAK CAPITAL, LLC

AND TO: **ARMSTRONG, TOWNSHIP OF**
Tax Department
35 Tenth Street,
Earlton, Ontario
P0J 1E0

Telephone: 705 563-2375
Facsimile: 705 563-2375
E-mail: reynaldrivard@nt.net

Assessment Roll Numbers: 54 36 000 002 22601 0000
54 36 000 002 22701 0000

AND TO: **BANK OF AMERICA**

Bob Voreyer
Telephone: 646 855-7709
E-mail: bob.voreyer@baml.com

AND TO: **BANK OF MONTREAL**

Damien Duprey
Telephone: 514 282-5909
E-mail: damien.duprey@bmo.com

Stanley Julien
Telephone: 416 867-6378
E-mail: stanley.julien@bmo.com

AND TO: **BANK OF NEW YORK MELLON**
600 E. Las Colinas Boulevard, Suite 1300
Irving, TX 75039 USA

Melinda Valentine
E-mail: melinda.valentine@bnymellon.com

Russ Tuman
E-mail: russ.tuman@bnymellon.com

AND TO: **BENNETT JONES LLP**
Suite 3400
One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4

Richard Swan
Telephone: 416 777-7479
Facsimile: 416 863-1716
E-mail: swanr@bennettjones.com

Kevin J. Zych
Telephone: 416 777-5738
Facsimile: 416 863-1716
E-mail: zychk@bennettjones.com

Lawyers for Peter Grant Sr., 1308406 Ontario Inc. and Grant Forest Products Corp.

AND TO: **BLACK DIAMOND**

Scott Ziemke
Telephone: 847 615-9000
E-mail: sziemke@bdcm.com

AND TO: **BLACK RIVER-MATHESON, TOWNSHIP OF**
Treasury Department
429 Park Lane
Matheson, Ontario
P0K 1N0

Mrs. Heather Smith (Director of Administration/Clerk /Treasurer)
Telephone: 705 273 2313
Facsimile: 705 273 2140
E-mail: treasurer@blackriver-matheson.com

AND TO: **C. D'AMOURS CONTRACTING LTD.**
209 Government Road
P.O. Box 430
Moonbeam, Ontario
P0L 1V0

Claude D'Amours
Telephone: 705 367-2791
Facsimile: 705 367-2424
E-mail: cdamours@damourcontracting.com

AND TO: **CAISSE CENTRALE DESJARDINS**

Pierre Pellepier
Telephone: 514 281-2269
E-mail : pierre.pelletier@ccd.desjardins.com

Peter Lattuca
Telephone: 514 281-7334
E-mail: peter.lattuca@ccd.desjardins.com

AND TO: **CAISSE DE DEPOT ET PLACEMENT DU QUEBEC**

Eric Lachance
Telephone: 514 847-5958
E-mail: elachance@lacaisse.com

AND TO: **CALEYWRAY**
1600 – 65 Queen Street West
Toronto, Ontario
M5H 2M5

Douglas J. Wray
Telephone: 416 366-3763
Facsimile: 416 366-3293
E-mail: wrayd@caleywray.com

Jesse B. Kugler
Telephone: 416 775-4677
Facsimile: 416 366-3293
E-mail: kuglerj@caleywray.com

Lawyers for the Communications, Energy and Paperworkers Union of Canada

AND TO: **CARGILL**

Teri Salberg
Telephone: 952 984-3416
E-mail: teri.salberg@carval.com

AND TO: **CARVAL INVESTORS**

Joel Hawkins
Telephone: 952 984-3507
E-mail: joel.hawkins@carval.com

Teck Wong
Telephone: 952 984-3292
E-mail: teck.wong@carval.com

AND TO: **CHARLTON AND DACK, MUNICIPALITY OF – CITY CLERK**
Tax Department
Corner of Spruce Grove and Suttons Road
R.R. #2
Englehart, Ontario
P0J 1H0

Diana Stevenson
Telephone: 705 544-7525
Facsimile: 705 544-2369
E-mail: dack@ntl.sympatico.ca

Assessment Roll Numbers: 54 46 000 000 12000
54 46 000 000 15000

AND TO: **CHEMCRAFT INTERNATIONAL INC.**
155 Rose Glen Rd N.
Port Hope ON, L1A 3Z3

Norman Guindon (President)
Telephone: (905) 885-6388
Fax: (905) 885-7587
E-mail: nguindon@chemcraft.com

AND TO: **CHEMINIS LUMBER INC.**
P.O. Box 430
Larder Lake, Ontario
P0K 1L0

General Manager
Telephone: 705 643-2389
Facsimile: 705 643-2329
E-mail: chem@ntl.sympatico.ca

AND TO: **CVI GVF (LUX) MASTER S.A.R.L.**
c/o Carval Investors, LLC
12700 Whitewater Drive, MS144
Minnetonka, MN 55343

Teri Salberg
E-mail: teri.salberg@carval.com

AND TO: **DEPARTMENT OF JUSTICE**
The Exchange Tower
130 King Street West
Suite 3400
Toronto, Ontario
M5X 1K6

Diane Winters/ Peter Zevenhuizen
Telephone: 416 973-3172
Facsimile: 416 973-0810
E-mail: diane.winters@justice.gc.ca
Peter.Zevenhuizen@justice.gc.ca

AND TO: **DOMTAR INC.**
Forest Resources Division
P.O. Box 9
Elk Lake, Ontario
P0J 1G0

Benoit Beausoleil
Mike Oblenif
Telephone: 705 678-2120
Facsimile: 705 268-2272
E-mail: benoit.beausoleil@domtar.com
michael.oblenif@domtar.com

AND TO: **ELMER'S FIGHTING SUPPLY INC.**
RR#2 7635 HWY 21
Allenford, Ontario
N0H 1A0

Telephone: 519 934-2193
Facsimile: 519 934-2361
E-mail: customaugerhouse@yahoo.ca

AND TO: **ENGLEHART, TOWN OF – CITY CLERK**
Tax Accounts
Town Hall
61 5th Avenue
Box 399
Englehart, Ontario
P0J 1H0

Jana Van Oosten (on leave)
Telephone: 705 544-2244
Facsimile: 705 544-8737
E-mail: englehart.ntl@sympatico.ca
stuartj@ntl.sympatico.ca

Assessment Roll Numbers: 54 52 000 001 00800 0000
54 52 000 001 01300 0000

AND TO: **ERNST AND YOUNG INC.**
P.O. Box 251
Ernst & Young Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1J7

Alex Morrison
Telephone: 416 941-7743
Facsimile: 416 864-1174
E-mail: alex.morrison@ca.ey.com

Simone Carvalho
Telephone: 416 943-2085
Facsimile: 416 864-1174
E-mail: simone.carvalho@ca.ey.com

Monitor

AND TO: **EVANTUREL, TOWNSHIP OF**
City Clerk
PO Box 209, 245453 Highway 560
Englehart, Ontario
P0J 1H0

Telephone: 705 544-8200
Facsimile: 705 544-8206
E-mail: evanturelclerk@parolink.net

AND TO: **FASKEN MARTINEAU DUMOULIN**
66 Wellington Street West
Suite 4200, Toronto Dominion Bank Tower
Box 20, Toronto-Dominion Centre
Toronto, Ontario
M5K 1N6

Jonathan A. Levin
Telephone: 416 865-4401
Facsimile: 416 364-7813
E-mail: jlevin@tor.fasken.com

Edmond F.B. Lamek
Telephone: 416 865-4506
Facsimile: 416 364-7813
E-mail: elamek@tor.fasken.com

Stuart Brotman
Telephone: 416 865-5419
Facsimile: 416 364-7813
E-mail: SBrotman@fasken.com

Lawyers for the Independent Directors of Grant Forest Products Inc.

AND TO: **FINANCIAL SERVICES COMMISSION OF ONTARIO (FSCO) PENSION DIVISION**
5160 Yonge Street
P.O. Box 85, 4th floor
Toronto, Ontario
M2N 6L9

Deana Stuckless
Telephone: 416 226-7890
E-mail: deana.stuckless@fsco.gov.on.ca

AND TO: **FORTRESS INVESTMENT GROUP**
1345 Avenue of Americas, 46th Floor
New York, NY 10020

Bryce Fraser
E-mail: bfraser@fortress.com

For DRAWBRIDGE SPECIAL OPPORTUNITIES FUND, LP AND FORTRESS CREDIT OPPORTUNITIES I LP

AND TO: **FRASER MILNER CASGRAIN LLP**
1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1B2

Ross W. Walker
LSUC No.: 15817R
Telephone: 416 863-4742
Facsimile: 416 863-4592
E-mail: ross.walker@fmc-law.com

Daniel R. Dowdall
LSUC No.: 16737D
Telephone: 416 863-4700
Facsimile: 416 863-4592
E-mail: dan.dowdall@fmc-law.com

Alex MacFarlane
LSUC No. 28133Q
Telephone: 416 863-4582
Facsimile: 416 863-4592
E-mail: alex.macfarlane@fmc-law.com

Jane O. Dietrich
LSUC No.
Telephone: 416 863-4467
Facsimile: 416 863-4592
E-mail: jane.dietrich@fmc-law.com

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

AND TO: **FROUDE, NORM**
P.O. Box 441
Cochrane, Ontario
P0L 1C0

AND TO: **G.W. SUTHERLAND CONTRACTING CO. LTD.**
R.R. #1
Worthington, Ontario
P0M 3H0

Gerry Sutherland
Sean Sutherland
Telephone: 705 866-0300
Facsimile: 705 866-0258
E-mail: northerntrainers@on.aibn.com

AND TO: **GE CAPITAL CANADA LEASING SERVICES INC.**
5420 North Service Road
Burlington, ON L7L 6C7

Customer Care
Telephone: 905 319-5100
Facsimile: 1-866-514-0779
E-mail: burcustomerservice@ge.com

AND TO: **GENERAL ELECTRIC**

Michael Coseglia
Telephone: 203 956-4059
E-mail: michael.coseglia@gecapital.com

Bond Harberts
Telephone: 312 441-6140
E-mail: bond.harberts@ge.com

AND TO: **GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED**
3250 Bloor Street West, 8th floor
Toronto, Ontario
M8X 2Y5

Customer Care
Telephone: 1-800-616-4622
Facsimile: 416 234-6614
E-mail: customercare@gmac.ca

AND TO: **GERVAIS FOREST PRODUCTS LTD.**
P.O. Box 70
Faconbridge, Ontario
P0M 1S0

Marcel Gervais
Telephone: 705 693-5380
Facsimile: 705 693-5327
E-mail: gervaisforest@bellnet.ca

AND TO: **GILBERT PAPINEAU**
P.O. Box 229
Cochrane, Ontario
P0L 1C0

Telephone: 705 272-6234
E-mail: dpaps06@hotmail.com

AND TO: **GMAC LEASECO CORPORATION**
3250 Bloor Street West, 8th floor
Toronto, Ontario
M8X 2Y5

Customer Care
Telephone: 1-800-616-4622
E-mail: customercare@gmac.ca

AND TO: **GOODMANS LLP**
250 Yonge Street
Suite 2400, Box 24
Toronto, Ontario
M5B 2M6

Joe Pasquariello
Telephone: 416 597-4216
Facsimile: 416 979-1234
E-mail: jpasquariello@goodmans.ca

Lawyers for Bank of New York Mellon as agent for the Second Lien Lenders

AND TO: **GOULARD LUMBER (1971) LTD.**
P.O. Box 730
Sturgeon Falls, Ontario
P0H 2G0

Claude Goulard
Telephone: 705 753-2220
Facsimile: 705 753-4588
E-mail: goulardlbr@on.aibn.com

AND TO: **GRAND CENTRAL ASSET TRUST, CMF SERIES**
c/o Camulos Capital Master Fund LP
3 Landmark Square, 4th Floor
Stamford, CT 06901

Courtney Carson
E-mail: ccarson@camuloscapital.com

AND TO: **GSC GROUP**

Joshua Gale
Telephone: 917 322-6758
E-mail: jgale@gsc.com

I. Turkedjiev
Telephone: 917 322-6765
E-mail: iturkedjiev@gsc.com

AND TO: **GSCP (NJ) LP**
300 Campus Drive, Suite 110
Florham Park, NJ 07932

Dennis Phan
E-mail: dphan@gsc.com

For GSC INVESTMENT FUNDING LLC, GSC PARTNERS CDO FUND IV LIMITED AND GSC PARTNERS CDO FUND VII, LIMITED

AND TO: **H. & R. CHARTRAND LUMBER CO. LTD.**
P.O. Box 11
Noelville, Ontario
P0M 2N0

Jules Chartrand
Telephone: 705 898-2962
Facsimile: 705 898-2183
E-mail: chartrand8@bellnet.ca

AND TO: **HEC. CLOUTHIER & SONS**
245 Golf Course Road
Pembroke, Ontario
K8A 7M1

Mr. Tom Clouthier
Telephone: 613 732-7487
Facsimile: 613 732-1517
E-mail: hecclou@nrtco.net

AND TO: **HER MAJESTY THE QUEEN**
The Ministry of Revenue
Revenue Collections Branch
Insolvency Unit
33 King Street West, 6th Floor
Oshawa, Ontario
L1H 8H5

Vicki Schnurr
Telephone: 905 433-6969
Facsimile: 905 436-4524
E-mail: Vicki.Schnurr@ontario.ca

AND TO: **IBM CANADA LTD. - PPSA ADMINISTRATORS**
3600 Steeles Avenue East F4
Markham, Ontario
L3R 9Z7

IBM Canada, Procurement Department
Telephone: 905 316-5000
Facsimile: 905 316-4068

Louise Novak, IBM Legal Department
Telephone: 914 499-4841
Email: lnovak@us.ibm.com

AND TO: **IROQUOIS FALLS, TOWN OF**
Treasury Department
253 Main Street
Iroquois Falls, Ontario
P0K 1G0

Scott Marshall – Treasurer
Telephone: 705 232-4603
Facsimile: 705 232-4241
E-mail: scottie@nt.net

AND TO: **LAHAIE LUMBER LIMITED**
399 Highway 64
P.O. Box 38
Alban, Ontario
P0M 1A0

Mike Lahaie
Telephone: 705 857-2085
Facsimile: 705 857-0203
E-mail: lahaielumber@sympatico.ca

AND TO: **LAJEUNESSE, JEAN-PAUL**
South Highway
Cochrane, Ontario
P0L 1C0

Jean Paul Lajeunesse
Telephone: 705 272-4525
E-mail: jp@puc.net

AND TO: **LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP**
2600-130 Adelaide Street West
Toronto, Ontario
M5H 3P5

Peter J. Osborne
Telephone: 416 865-3094
Facsimile: 416 865-9010
E-mail: posborne@litigate.com

Lawyers for Peter Grant Jr.

AND TO: **LISKEARD LUMBER LIMITED**
P.O. Box 595
New Liskeard, Ontario
P0J 1P0

General Manager
Telephone: 705 647-5644
Facsimile: 705 647-6692
E-mail: lisklumb@ntl.sympatico.ca

AND TO: **LITTLE JOHN ENTERPRISES LTD.**
1515 Norman Street
Timmins Ontario
P4N 8R2

John A. Kapel
Telephone: 705 268-2888
Facsimile: 705 268-8746
E-mail: john@littlejohns.ca

AND TO: **MATTAGAMI REGION CONSERVATION AUTHORITY**
100 Lakeshore Road
Timmins, Ontario
P4N 8R5

Telephone: 705 360-2660
Facsimile: 705 360-2629
E-mail: mrca@timmins.ca

AND TO: **MAURICE GUILBEAULT**
P. O. Box 839
Smooth Rock Falls, Ontario
P0L 2B0

Telephone: 705-338-4445
Facsimile: 705-338-4348
E-mail: moandghislaine@live.com

AND TO **McCARTHYS LLP**
Suite 4700, Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Kevin McElcheran
Telephone: 416 601-7730
Facsimile: 416 868-0673
E-mail: kmcelcheran@mccarthy.ca

Barry J. Ryan
Telephone: 416 601-7799
Facsimile: 416 868-0673
E-mail: bryan@mccarthy.ca

James D. Gage
Telephone: 416 601-7539
Facsimile: 416 868-0673
E-mail: jgage@mccarthy.ca

Lawyers for The Toronto-Dominion Bank as agent for the First Lien Lenders

AND TO: **MCDONNELL INVESTMENT MANAGEMENT, LLC**
1515 West 22nd Street, 11th Floor
Oak Brook, IL 60523

Robert Hickey
Telephone: 630 684-8742
E-mail: hickeyr@mcdmgmt.com

Matthew Kelly
Telephone: 630 684-8757
E-mail: kellym@mcdmgmt.com

Kathy Zarn
E-mail: zarnk@mcdmgmt.com

For GANNETT PEAK CLO I, LTD., McDONNELL LOAN OPPORTUNITY LTD., WIND RIVER CLO I LTD. AND WIND RIVER CLO II- TATE INVESTORS, LTD.

AND TO: **MILLER THOMSON LLP**
Barristers & Solicitors
London Office
One London Place
255 Queens Avenue, Suite 2010
London, Ontario
N6A 5R8

Alissa K. Mitchell
Telephone: 519 931-3510
Facsimile: 519 858-8511
E-mail: amitchell@millerthomson.com

A. Duncan Grace
Telephone: 519 931-3507
Facsimile: 519 858-8511
E-mail: dgrace@millerthomson.com

Ryan T. Sills
Telephone: 519 931-3514
Facsimile: 519 858-8511
E-mail: rsills@millerthomson.com

Lawyers for GE Canada Leasing Services Company

AND TO: **MINISTRY OF FINANCE (ONTARIO)**
Office of Legal Services
33 King Street West, 6th Floor
Oshawa, Ontario
L1H 8H5

Kevin J. O'Hara
Telephone: 905 433-6934
Facsimile: 905 436-4510
E-mail: kevin.ohara@ontario.ca

AND TO: **MINISTRY OF NATURAL RESOURCES**
Legal Services Branch
99 Wellesley Street West, Room 3420
Toronto, Ontario
M7A 1W3

Stuart D. Davidson
Telephone: 416 314-2004
Facsimile: 416 314-2030
E-mail: stuart.davidson@ontario.ca

AND TO: **MINISTRY OF NORTHERN DEVELOPMENT**
Mines and Forestry
Forest Sector Competitiveness Secretariat
70 Foster Drive, Suite 400
Sault Ste. Marie, Ontario
P6A 6V5

Paul Mingay
Telephone: 705 945-6770
E-mail: paul.mingay@ontario.ca

AND TO: **MINISTRY OF NORTHERN DEVELOPMENT MINES AND FORESTRY**
Legal Services Branch
Room M2-17
MacDonald Block
900 Bay Street
Toronto, Ontario
M7A 1C3

Donald Bennett
Telephone: 416 327-0637
E-mail: donald.bennett@ontario.ca
andrew.macdonald@ontario.ca

AND TO: **MINISTRY OF THE ENVIRONMENT**
135 St. Clair Avenue
8th Floor
Toronto, Ontario
M4V 1P5

Kevin French, Assistant Deputy Minister – Operations Division
E-mail: kevin.french@ontario.ca

AND TO: **MINISTRY OF TRANSPORTATION ONTARIO**
Corridor Management Office
500 Rockley Road
New Liskeard, Ontario
P0J 1P0

Lisa Kramp

Telephone:	705 647-6761 ext. 143
Toll Free:	1-800-720-1120
Facsimile:	705 647-4571
E-mail:	lisa.kramp@ontario.ca

AND TO: **MISSISSAUGA, CITY OF**
Mississauga Tax Office
Mississauga Civic Centre
300 City Centre Drive, 6th Floor
Mississauga, Ontario
L5B 3C1

Telephone:	905 896-5575
E-mail:	tax@mississauga.ca

Jeff Jackson
Director, Revenue and Materiel Management

Telephone:	905 615-3200, Ext. 5477
E-mail:	jeff.jackson@mississauga.ca

AND TO: **MONTFORT, MIKE**
RR#1
Iroquois Falls, Ontario
P0K 1G0

Telephone:	705 232-8284/ 705 232-8743
E-mail:	montfort@ntl.sympatico.ca lorraine.montfort@ntl.sympatico.ca

AND TO: **MOOSE CREE FIRST NATION**
PO Box 190
Moose Factory, Ontario
P0L 1W0

Patricia Faries-Akiwenzie

Telephone:	705 658-4619
Facsimile:	705 658-4734
E-mail:	info@moosecree.com

AND TO: **MORGAN STANLEY SENIOR FUNDING, INC.**
1 Pierrepont Plaza, 7th Floor
Brooklyn, NY 11201

Vanessa Marling
E-mail: vanessa.marling@morganstanley.com

AND TO: **N'SWAKAMOK FORESTRY CORPORATION**
172 Old Village Road North
Birch Island, Ontario
P0P 1A0

Michael C. Eshkawkogan, Director

AND TO: **NATIONAL BANK FINANCIAL**

Jean Gosselin
Telephone: 514 394-8829
E-mail: jean.gosselin@bnc.ca

Kennedy William
Telephone: 514 394-8062
E-mail: williamd.kennedy@bnc.ca

AND TO: **NATIONAL LEASING GROUP INC.**
Lease# 2271912
1525 Buffalo Place
Winnipeg, Manitoba
R3T 1L9

Nick Logan (Owner)
Telephone: 1-800-665-1326
Facsimile: 1-866-408-0729
E-mail: nick.logan@nationalleasing.com

AND TO: **NIGHTHAWK TIMBER CO. LTD.**
1801 Riverside Drive
Timmins, Ontario
P4R 0A5

Dave Stringer
Telephone: 705 267-3754
Facsimile: 705 267-3755
E-mail: don@nhtimber.ca
dave@nhtimber.ca

AND TO: **NORTHLAND POWER INC.**
505 Archers Drive
Kirkland Lake ON, P2N 3M7

Mike McLaughlin (Wood Waste Manager)
Telephone: (705) 567-9501 x226
Facsimile: (705) 567-5193
E-mail: Operations@NorthlandPower.com

AND TO: **ONTARIO FORESTRY SAFE WORKPLACE ASSOCIATION**
690 McKeon Ave.
North Bay, ON P1B 9P1

AND TO: **ONTARIO MINISTRY OF LABOUR**
Employment Standards Program
Central Region Insolvencies and Collections
1201 Wilson Ave., 2nd Floor –Bldg. E
Toronto, Ontario
M3M 1J8

Nancy Walters
Telephone: 416 235-6704
Facsimile: 1-888-252-4684
E-mail: nancy.walters@ontario.ca

AND TO: **ONTARIO TEACHERS' PENSION PLAN BOARD**
5650 Yonge Street
Toronto, ON M2M 4H5

Stephen McLennan (Portfolio Manager, Fixed Income)
E-mail: □lliott_mclennan@otpp.com

AND TO: **PACIFIC INVESTMENT MANAGEMENT CO.**
840 Newport Center Dr.
Newport Beach, CA 92660

Sandy Benson
E-mail: benson@pimco.com

For PIMCO FLOATING RATE INCOME FUND AND PIMCO FLOATING RATE STRATEGY FUND

AND TO: **PENSIONFUND REALTY LIMITED**
800-55 City Centre Drive
Mississauga, Ontario
L5B 1M3

John Borrell, Director of Leasing
Telephone: 905 281-3800 ext 4791
Facsimile: 905 281-4826
E-mail: jborrelli@morguard.com

AND TO: **PRUCO LIFE INSURANCE COMPANY**

Jack Pfeilsticker
Telephone: 973 802-9200
E-mail: jack.pfeilsticker@prudential.com

AND TO: **PRUDENTIAL INSURANCE COMPANY OF AMERICA**

Matthew Howell
Telephone: 973 367-2131
E-mail: matthew.howell@prudential.com

Paul Procyk
Telephone: 973 367-3279
E-mail: paul.procyk@prudential.com

Jack Pfeilsticker
Telephone: 973 802-9200
E-mail: jack.pfeilsticker@prudential.com

AND TO: **R. FRYER FOREST PRODUCTS LTD.**
R.R. #1 Highway 65
Monetville, Ontario
P0M 2K0

Mr. Rogers Fryer
Telephone: 705 898-2286
Facsimile: 705 898-2126
E-mail: mail@fryerforest.com

AND TO: **REDWOOD MASTER FUND LTD.**
910 Sylvan Avenue
Englewood Cliffs, NJ 07632

Sean Sauler
E-mail: ssauler@redwoodcap.com

AND TO: **RIOPELLE GRIENER LAWYERS PROFESSIONAL CORPORATION**
202-85 Pine Street South
Timmins, Ontario
P4N 2K1

Gordon G. Conley
Telephone: 705 264-9591
Facsimile: 705 264-1393
E-mail: □lliot@rglaw.ca

Lawyers for K&C Mechanical

AND TO: **ROYNAT LEASE FINANCE (PREVIOUSLY KNOWN AS IRWIN COMMERCIAL FINANCE CANADA CORPORATION)**
Suite 300, 666 Burrard St.
Vancouver, British Columbia
V6C 2X8

Telephone: 604 646-2247
Facsimile: 604 687-7091
E-mail: client.service@roynat.com

AND TO: **SANDELMAN FINANCE 2006 – 1 LTD. AND SANDELMAN FINANCE 2006-2**
500 Park Avenue, 3rd Floor
New York, NY 10022

Frank Luciano
E-mail: fluciano@sandptrs.com

AND TO: **SPCP GROUP, LLC**
2 Greenwich Plaza, 1st Floor
Greenwich, CT 06830

Benjamin Tecmire
E-mail: ayu@silverpointcapital.com

AND TO: **STIKEMAN ELLIOTT LLP**
5300 Commerce Court West
99 Bay Street
Toronto, Ontario
M5L 1B9

Sean Dunphy
Telephone: 416 869-5662
Facsimile: 416 947-0866
E-mail: sdunphy@stikeman.com

Kathy L. Mah
Telephone: 416 869-5652
Facsimile: 416 947-0866
E-mail: kmah@stikeman.com

Lawyers for the Monitor

AND TO: **STONECREST CAPITAL INC.**
Stonecrest Capital Inc.
Suite 3130, Royal Trust Tower
77 King Street West
PO Box 33, TD Centre
Toronto, Ontario
M5K 1B7

Hap Stephen
Telephone: 416 364-0228
E-mail: hstephen@stonecrestcapital.com

Sandra Rosch
Telephone: 416 364-0730
E-mail: srosch@stonecrestcapital.com

Chief Restructuring Advisor

AND TO: **T. B. SKIDMORE FOREST PRODUCTS LIMITED**
R.R. #2
Cochrane, Ontario
P0L 1C0

Allan Skidmore
Telephone: 705 272-4138
Facsimile: 705 272-5860
E-mail: tbskid@puc.net

AND TO: **TALON ASSET MANAGEMENT**
One North Franklin, Suite 900
Chicago, IL 60606

Evan Dreyfuss
E-mail: edreyfuss@talonmanagement.com

For GPC 69, LLC, HFR RVA OPAL MASTER TRUST, TALON ASSET MANAGEMENT, TALON TOTAL RETURN PARTNERS LP AND TALON TOTAL RETURN QP PARTNERS LP

AND TO: **TAYKWA TAGAMOU NATION**
Water Plant Rd
PO Box 3310, RR#2
Cochrane, Ontario
P0L 1C0

Dwight Sutherland (Chief)
Telephone: 705 272-5766
Facsimile: 705 272-5785

AND TO: **TEMBEC,**
a general partnership formed under the Province of Ontario, herein represented by its managing partner TEMBEC INDUSTRIES INC., a corporation incorporated under the laws of Canada
P.O. Box 1100
Highway 101 W
Timmins, Ontario
P4N 7H9

Allan Thorne
Telephone: 705 360-1280
Facsimile: 705 337-9785
E-mail: alan.thorne@tembec.com

AND TO: **TEMBEC INC.**
269 Main Street West
Suite 309
North Bay, Ontario
P1B 2T8

Jim Lopez
Telephone: 819 627-4741
Facsimile: 705 494-4828
E-mail: jim.lopez@tembec.com

AND TO: **THIRD AVENUE**

Steven Chua
Telephone: 212 277-7043
E-mail: schua@thirdave.com

Michael Fineman
Telephone: 212 906-1142
E-mail: mfineman@thirdave.com