



Court File No. 500-11-036133-094

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)
AND IN THE MATTER OF A PLAN OF REORGANIZATION AND COMPROMISE
OF
ABITIBIBOWATER INC.,
AND CERTAIN OF ITS SUBSIDIARIES LISTED IN SCHEDULE "A" TO THE INFORMATION
CIRCULAR DATED AUGUST 2, 2010

FIRST PLAN AMENDMENT
TO THE PLAN OF REORGANIZATION AND COMPROMISE DATED AUGUST 2, 2010
UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)
AND SECTION 191 OF THE *CANADA BUSINESS CORPORATIONS ACT*

September 10, 2010

NOTICE OF FILING OF FIRST PLAN AMENDMENT

PLEASE TAKE NOTICE that, pursuant to the Plan of Reorganization and Compromise jointly filed by the Applicants pursuant to the provisions of the CCAA and Section 191 of the CBCA (the "**CCAA Plan**") and as set forth in the Information Circular pertaining to a Plan of Reorganization and Compromise under the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act* involving AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010 (the "**Circular**"), this first CCAA Plan amendment (the "**First CCAA Plan Amendment**") is to be posted on the Monitor's Website with notice of such posting to be provided to the Service List (as such First CCAA Plan Amendment may be thereafter modified, amended, varied or supplemented in accordance with the CCAA Plan). All capitalized terms not otherwise defined in this First CCAA Plan Amendment shall have the meanings ascribed to them in the Circular.

PLEASE TAKE FURTHER NOTICE that this First CCAA Plan Amendment restates and replaces in its entirety the definition of "Inter-company Claim" and Sections 6.10(b), 6.10(c), 6.10(d) and 7.9 of the CCAA Plan.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this First CCAA Plan Amendment in conjunction with the Circular, the CCAA Plan and the Creditors' Meeting Order.

PLEASE TAKE FURTHER NOTICE that a true and complete copy of the First CCAA Plan Amendment is attached hereto.

PLEASE TAKE FURTHER NOTICE that copies of the First CCAA Plan Amendment as well as the CCAA Plan and the Circular may be obtained from the Monitor's website at www.ey.com/ca/abibowater.

FIRST CCAA PLAN AMENDMENT

- (1) The definition of "Inter-company Claim" of the CCAA Plan is replaced and restated as follows:

"Inter-Company Claim" means any right or claim (including any Claim, Subsequent Claim or Restructuring Claim) of any Applicant, Partnership or U.S. Debtor against one or more other Applicants, Partnerships or U.S. Debtors, which right or claim is in connection with or for advances, borrowed money or goods or services rendered and is recorded as such in the usual and ordinary course in the books and records of the applicable Person;

- (2) The following provisions replace and restate in their entirety Sections 6.10(b), 6.10(c), 6.10(d) and 7.9 of the CCAA Plan:

6.10(b) Releases by Others

As at the Final Restructuring Transactions Time, (i) the Applicants, (ii) the Partnerships, (iii) the subsidiaries of Reorganized ABH, (iv) the Monitor, (v) the Chief Restructuring Officer, (vi) the BI DIP Lenders and the BI DIP Agent, each in their capacity as such, (vii) Citibank, N.A., Barclays Bank PLC and Barclays Capital Inc., in their respective capacities under the Securitization Facility, (viii) the members of the Ad Hoc Unsecured Noteholders Committee, as well as Avenue Capital Management II, L.P. and its managed funds, in their individual capacities, (ix) the members of the Unsecured Creditors' Committee, (x) the Indenture Trustees, (xi) the ACCC Administrative Agent pursuant to the ACCC Term Loan Documents, (xii) the Backstop Parties, each in their capacities as such, and their respective legal counsel and financial advisors, and (xiii) in each case, their respective present and former advisors, principals, employees, officers, directors, representatives, financial advisors, legal counsel, accountants, investment bankers, consultants, agents and other representatives or professionals (including the partners of any such professional firm) (collectively, the **"Released Parties"**) will be released and discharged from any and all Obligations to any Person (including any Person who may claim contribution or indemnification from or against any Released Party) which are (A) claims which were filed or were required to be filed pursuant to the Claims Procedure Orders, (B) not Inter-Company Claims, or (C) Obligations, to the fullest extent able to be released by a plan of compromise and arrangement pursuant to the CCAA, based in whole or in part upon any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Final Restructuring Transactions Time in any way relating to, arising out of or in connection with the business and affairs of the Applicants, the business and affairs of the Partnerships, the business and affairs of the U.S. Debtors, the subject matter of or the transactions or events giving rise to any Claims, the CCAA Charges, this CCAA Plan, including the Restructuring Transactions, the U.S. Plan, the Rights Offering, the CCAA Proceedings, the Chapter 15 Proceedings and the Chapter 11 Cases, provided, however, that nothing herein shall be construed as releasing directors and officers from any claim which cannot be released pursuant to Subsection 5.1(2) of the CCAA. For the purposes of this Subsection 6.10(b), the Reorganized Debtors shall be considered and deemed for the purposes of the release effected hereby to be new and distinct legal entities established as at the Final Restructuring Transactions Time and to have acquired all of their continuing assets, property and undertaking from the Applicants or Partnerships as the case may be.

6.10(c) Releases by the Bridgewater Entities

As at the Final Restructuring Transactions Time, each and every one of the Bridgewater Entities will be deemed to forever release, waive and discharge from any and all Obligations to any Person (including any Person who may claim contribution or indemnification from or against any Released Party) which are (A) claims which were filed or were required to be filed pursuant to the Claims Procedure Orders, (B) not Inter-Company Claims, or (C) Obligations, to the fullest extent able to be released by a plan of compromise and arrangement pursuant to the CCAA, against the Released Parties that the Bridgewater Entities may be entitled to assert, based in whole or in part upon any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Final Restructuring Transactions Time in any way relating to, arising out of or in connection with the business and affairs of the Applicants, the business and affairs of the Partnerships, the business and affairs of the Bridgewater Entities, the business and affairs of the U.S. Debtors, the subject matter of, or the transactions or events giving rise to, any Claims, the CCAA Charges, this CCAA Plan, including the Restructuring Transactions, the U.S. Plan, the Rights Offering, the CCAA Proceedings, the Chapter 15 Proceedings and the Chapter 11 Cases, provided, however, that nothing herein shall be construed as releasing directors and officers from any claim which cannot be released pursuant to Subsection 5.1(2) of the CCAA.

6.10(d) Releases by the 15.5% Senior Unsecured Notes Indenture Trustee

As at the Final Restructuring Transactions Time, each of the 15.5% Senior Unsecured Notes Creditors will be deemed to forever release, waive and discharge any and all Obligations (including any remedies to challenge transfers which may fall within the scope of any bulk sales, fraudulent conveyance or similar statute) against the Bridgewater Entities that the 15.5% Senior Unsecured Notes Creditors may be entitled to assert (other than the rights of the 15.5% Senior Unsecured Notes Indenture Trustee and the 15.5% Senior Unsecured Notes Creditors to enforce this CCAA Plan, including the Restructuring Transactions, and the contracts, instruments, releases, indentures and other agreements or documents delivered hereunder or pursuant hereto), based in whole or in part upon any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Final Restructuring Transactions Time in any way relating to, arising out of or in connection with the business and affairs of the Bridgewater Entities, the subject matter of, or the transactions or events giving rise to, any Claims of any nature whatsoever with the 15.5% Senior Unsecured Notes Creditors that could be asserted by or on behalf of the 15.5% Senior Unsecured Notes Creditors against the Bridgewater Entities, provided, however, that nothing herein shall be construed as releasing directors and officers from any claim which cannot be released pursuant to Subsection 5.1(2) of the CCAA.

7.9 Withholding Taxes

In connection with this CCAA Plan, all distributions made hereunder by the Disbursing Agent shall be made net of all applicable Taxes. Notwithstanding any other provision of this CCAA Plan, each Affected Unsecured Creditor with a Proven Claim that is to receive a distribution pursuant to this CCAA Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Governmental Entity (including income, withholding and other Tax obligations on account of such distribution), and

no distribution shall be made to or on behalf of such Affected Unsecured Creditor pursuant to this CCAA Plan unless and until such Affected Unsecured Creditor has made arrangements satisfactory to the Disbursing Agent and the Applicants for the payment and satisfaction of such Tax obligations. The Disbursing Agent, the Applicants and the Reorganized Debtors, as necessary, shall be authorized to take any and all actions as may be necessary or appropriate to comply with such withholding and reporting requirements, including withholding a number of shares of New ABH Common Stock equal in value to the amount required to comply with applicable withholding requirements from the shares of New ABH Common Stock to be distributed to current or former employees and making the necessary arrangements for the sale of such shares on the TSX or the New York Stock Exchange on behalf of the current or former employees to satisfy such withholding requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Unsecured Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Entity.