

**JOINT INSTRUCTION LETTER WITH RESPECT TO
CANADIAN PROOFS OF CLAIMS AGAINST THE CANADIAN PETITIONERS, PARTNERSHIPS
AND CROSS-BORDER PETITIONERS
(AS ATTACHED)**

A. Background

Canada

On April 17, 2009, Abitibi-Consolidated Inc. and the other Canadian Petitioners, Cross-Border Petitioners and Partnerships (see schedule attached for a listing of each) commenced court-supervised proceedings in the Superior Court of Quebec and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Ernst & Young Inc. was appointed as the Monitor in the court-supervised CCAA proceedings (the "**Monitor**"). Information regarding the Canadian Petitioners', Cross-Border Petitioners' and Partnerships' CCAA proceedings may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater.

On August 26, 2009, the Honourable Mr. Justice Clément Gascon of the Superior Court of Quebec made an Order (the "**Claims Procedure Order**") authorizing the Canadian Petitioners, Cross-Border Petitioners and Partnerships to conduct a claims process (the "**Canadian Claims Procedure**"). Certain claims were excluded from the Canadian Claims Procedure.

On February 23, 2010, the Honourable Mr. Justice Clément Gascon of the Superior Court of Quebec made an Order (the "**Second Claims Procedure Order**") authorizing the Canadian Petitioners, Cross-Border Petitioners and Partnerships to conduct a claims process for certain of the claims that were excluded from the Canadian Claims Procedure (the "**Second Canadian Claims Procedure**").

Copies of the Claims Procedure Order and the Second Claims Procedure Order may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater. All capitalized terms used in this Instruction Letter that are not otherwise defined have the same meaning given to them in the Second Claims Procedure Order.

Enclosed please find a package which includes the Canadian claims materials (the "**Canadian Material**"). The Canadian Material includes the following documents in both English and French:

- Guide to Completing the Proof of Claim Form
- Cross-Border Petitioner Proof of Claim Form (on green paper)

United States

On April 16, 2009, the U.S. Debtors (see schedule attached for a listing of each) and the Cross-Border Petitioners (together, the "**Chapter 11 Debtors**") commenced proceedings in the United States Bankruptcy Court for the District of Delaware under chapter 11 of title 11 of the United States Bankruptcy Code (the "**U.S. Proceedings**"). Epiq Bankruptcy Solutions, LLC has been appointed as the claims agent (the "**Claims Agent**") in the U.S. Proceedings. Information regarding the U.S. Proceedings may be obtained from the Claims Agent's website at <http://chapter11.epiqsystems.com/ABH>.

On September 3, 2009, the Chapter 11 Debtors obtained an Order (the "**U.S. Claims Procedure Order**") approving procedures and establishing deadlines to file proofs of claim for all claims against the Chapter 11 Debtors that arose prior to April 16, 2009 (the "**U.S. Claims Proceedings**"). Certain claims were excluded from the U.S. Claims Proceedings.

On February 18, 2010, the Chapter 11 Debtors obtained an Order (the “**U.S. Employee Claims Procedure Order**”) approving procedures (the “**U.S. Employee Claims Procedure**”) and establishing deadlines to file proofs of claim for claims against the Chapter 11 Debtors by persons who were employees of the Chapter 11 Debtors as of April 16, 2009 or thereafter.

B. Second Canadian Claims Procedure

The Second Canadian Claims Procedure is intended for any Person asserting:

1. any claim (i) arising as a result of or in connection with the repudiation, breach, termination or restructuring by the Canadian Petitioners, Cross-Border Petitioners or Partnerships after August 31, 2009 of any contract, lease, employment or other obligation including any pension or retirement plan or benefit established for the Canadian Petitioners’ or Cross-Border Petitioners’ Canadian employees; (ii) arising as a result of payments deferred pursuant to the Order of the Superior Court of Quebec in these CCAA proceedings dated May 8, 2009 and in respect of which a notice advising the Creditor(s) to file a proof of claim has been issued; and (iii) against any of the Canadian Petitioners, the Cross-Border Petitioners or the Partnerships as a former owner, occupier, person in possession or otherwise in connection with any property (whether moveable or immovable, real or personal) transferred on or after April 17, 2009 (collectively a “**Restructuring Claim**”);
2. any Claim, Subsequent Claim or Restructuring Claim held by the Term Loan Lenders, the U.S. Credit Lenders and the Canadian Credit Lenders (each as defined in the Claims Procedure Order); and
3. any Claim, Subsequent Claim or Restructuring Claim held by employees who were employed by a Canadian Petitioner, Cross-Border Petitioner or Partnership as at April 16, 2009 or thereafter.

For the purpose of the Second Canadian Claims Procedure, a **Claim** is defined as a claim of any kind or nature whatsoever against one or more of a Canadian Petitioner, Cross-Border Petitioner or Partnership arising prior to April 17, 2009. A **Subsequent Claim** is defined as a claim arising as a result of the repudiation or termination by any Canadian Petitioner, Cross-Border Petitioner or Partnership of any contract, lease or other agreement between April 17, 2009 and August 31, 2009.

The Canadian Petitioners, the Cross-Border Petitioners and/or the Partnerships have not yet proposed any plan of arrangement or compromise in the CCAA proceedings. This Instruction Letter serves to provide you with the details necessary for you to prove your Claim, Subsequent Claim or Restructuring Claim against a Canadian Petitioner, Cross-Border Petitioner or Partnership by completing a Proof of Claim form in the CCAA proceedings and filing it with the Monitor in the Second Canadian Claims Procedure.

If you have any questions regarding the Second Canadian Claims Procedure, please contact the Monitor at the address provided below:

Ernst & Young Inc., Monitor of Abitibi-Consolidated Inc.,
Bowater Canadian Forest Products Inc., et al.
800 Rene-Levesque Blvd. West
Suite 1900

Montreal, QC H3B 1X9

Telephone: 1-866-246-7889
Fax: 514-879-3992
Email: abitibibowater@ca.ey.com

Attention: Ms. Donna Comerford

PROOF(S) OF CLAIM IN THE CCAA PROCEEDINGS FOR CLAIMS AND SUBSEQUENT CLAIMS MUST BE RECEIVED BY THE MONITOR BY NO LATER THAN 4:00 P.M. (EASTERN DAYLIGHT TIME) ON APRIL 7, 2010.

PROOF(S) OF CLAIM IN THE CCAA PROCEEDINGS FOR RESTRUCTURING CLAIMS ONLY MUST BE RECEIVED BY THE MONITOR BY THE LATER OF (I) 4:00 P.M. (EASTERN DAYLIGHT TIME) ON APRIL 7, 2010; OR (II) THIRTY (30) DAYS AFTER THE DATE OF MAILING BY THE MONITOR OF A NOTICE ADVISING THE CREDITOR TO FILE A PROOF OF CLAIM AS A RESULT OF ANY EVENT GIVING RISE TO A RESTRUCTURING CLAIM.

You may submit your Proof(s) of Claim for the CCAA proceedings to the Monitor by way of electronic mail, facsimile, courier, or registered mail to the Monitor's address listed above.

IF YOU FAIL TO FILE YOUR PROOF(S) OF CLAIM IN ACCORDANCE WITH THE SECOND CLAIMS PROCEDURE ORDER, THEN YOUR CLAIM, SUBSEQUENT CLAIM OR RESTRUCTURING CLAIM WILL BE EXTINGUISHED AND YOU WILL BE FOREVER BARRED FROM ASSERTING YOUR CLAIM, SUBSEQUENT CLAIM OR RESTRUCTURING CLAIM AGAINST THE CANADIAN PETITIONERS, CROSS-BORDER PETITIONERS OR PARTNERSHIPS.

Furthermore, you will not be entitled to participate as a creditor in these CCAA proceedings, receive any further notice of these CCAA proceedings or participate in any plan of arrangement or compromise proposed by a Canadian Petitioner, Cross-Border Petitioner or Partnership, including receiving any distribution under any such plan.

C. The U.S. Employee Claims Procedure

The U.S. Employee Claims Procedure is intended for persons who were employees of the Chapter 11 Debtors as of April 16, 2009 (the "**Petition Date**") or thereafter, who may have a Claim of any kind or nature whatsoever against one or more of the Chapter 11 Debtors on account of: (a) any claim against the Debtors owing as of the Petition Date; and (b) any claim or expense asserted against the Debtors for the period from

IF YOU HAVE ANY QUESTIONS REGARDING THE CANADIAN CLAIMS PROCEDURE, PLEASE CALL THE MONITOR AT 1-866-246-7889. FRENCH AND ENGLISH SPEAKING REPRESENTATIVES ARE AVAILABLE TO ASSIST YOU.

April 16, 2009 through and including February 28, 2010 (but excluding amounts owed for ordinary course payroll obligations that are scheduled to be paid on the next pay date occurring after February 28, 2010).

If you believe you have a claim against one of the U.S. Debtors subject to the U.S. Employee Claims Procedure Order or you have any questions or would like more information regarding the U.S. Claims Procedure, please contact the Claims Agent at the address listed below, or visit the Claims Agent's website at <http://chapter11.epiqsystems.com/ABH>.

AbitibiBowater Inc. Claims Processing Centre
Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017
Telephone: 1-888-266-9280

D. Cross-Border Petitioners

Please note that the following Petitioners are both Canadian Petitioners in the CCAA proceedings and U.S. Debtors in the U.S. Proceedings:

Bowater Canadian Holdings Inc.
Bowater Canada Finance Corporation
Bowater Canadian Limited
AbitibiBowater Canada Inc.
Bowater Canadian Forest Products Inc.
Bowater LaHave Corporation
Bowater Maritimes Inc.

IF YOU BELIEVE YOU HAVE A CLAIM AGAINST ONE OF THE CROSS-BORDER PETITIONERS YOU SHOULD COMPLETE THE GREEN PROOF OF CLAIM FORM ENCLOSED AND SUBMIT IT TO THE MONITOR AT THE ADDRESS NOTED ABOVE.

Pursuant to the U.S. Claims Procedure and the U.S. Employee Claims Procedure, and only for purposes of the U.S. Proceedings, if your claim has been scheduled on the Cross-Border Petitioners' schedules of assets and liabilities filed with the U.S. court in the U.S. Proceedings, and that scheduled claim is not listed as contingent or disputed and you agree with the amount listed for your claim, then only for purposes of the U.S. Proceedings, you do not need to file a U.S. proof of claim and your Claim will be deemed allowed in the U.S. Proceedings in the scheduled amount. **HOWEVER, PLEASE BE ADVISED THIS IS NOT THE CASE FOR THE CANADIAN CCAA PROCEEDINGS.** Accordingly, if you have a Claim, Subsequent Claim or Restructuring Claim that is subject to the Second Canadian Claims Procedure Order against a Cross-Border Petitioner you should complete a green Proof of Claim form and submit it to the Monitor in accordance with the procedures set out in this letter.

IF YOU HAVE ANY QUESTIONS REGARDING THE CANADIAN CLAIMS PROCEDURE, PLEASE CALL THE MONITOR AT 1-866-246-7889. FRENCH AND ENGLISH SPEAKING REPRESENTATIVES ARE AVAILABLE TO ASSIST YOU.

PLEASE NOTE THAT IF YOU ARE FILING A CLAIM AGAINST ANY OF THE CROSS-BORDER PETITIONERS IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THIS INSTRUCTION LETTER YOU SHOULD INDICATE WHETHER YOU BELIEVE THAT ANY PORTION OF YOUR CLAIM IS ENTITLED TO PRIORITY OR ADMINISTRATIVE EXPENSE TREATMENT UNDER SECTIONS 503 OR 507 OF THE BANKRUPTCY CODE AND IDENTIFY THE AMOUNT OF YOUR CLAIM YOU BELIEVE IS ENTITLED TO SUCH TREATMENT BY INDICATING SUCH AMOUNT(S) AND CHECKING THE APPROPRIATE BOXES ON THE ENCLOSED PROOF OF CLAIM FORM.

For the Cross Border Petitioners, employee claims are entitled to priority payment under Section 507(a)(4) of the U.S. Bankruptcy Code for wages, salaries, or commissions, including vacation, severance pay and sick leave, earned within 180 days before the date of the filing of the petition (April 16, 2009) up to a maximum of USD \$10,950. Any amounts earned in excess of USD \$10,950 or earned prior to the 180 day period will be treated as a general unsecured claim. Employee claims for contributions made to an employee benefit plan arising from services rendered during the 180 day period prior to April 16, 2009, may also be subject to priority treatment, subject to certain limits and deductions.

In addition, wages, salaries and commissions for services rendered to a Cross-Border Petitioner since April 16, 2009 (but excluding amounts owed for ordinary course payroll obligations that are scheduled to be paid on the next pay date occurring after February 28, 2010) may qualify as administrative expenses under Section 503(b)(1)(A)(i) of the U.S. Bankruptcy Code. Claims for administrative expenses are accorded priority status pursuant to Section 507(a)(2) of the U.S. Bankruptcy Code.

IF YOU FAIL TO FILE YOUR PROOF(S) OF CLAIM IN ACCORDANCE WITH THE U.S. EMPLOYEE CLAIMS PROCEDURE OR THE SECOND CANADIAN CLAIMS PROCEDURE, THEN YOUR CLAIM, SUBSEQUENT CLAIM OR RESTRUCTURING CLAIM THAT ARE SUBJECT TO SUCH PROCEDURES WILL BE EXTINGUISHED AND YOU WILL BE FOREVER BARRED FROM ASSERTING YOUR CLAIM, SUBSEQUENT CLAIM OR RESTRUCTURING CLAIM AGAINST THE CROSS-BORDER PETITIONERS.

E. General Information

Each completed Proof of Claim form in the CCAA proceedings or Proof of Claim form in the U.S. Proceedings should relate to a claim against only one Canadian Petitioner, Cross-Border Petitioner, Partnership or U.S. Debtor. If you have a claim against more than one Canadian Petitioner, Cross-Border Petitioner, Partnership or U.S. Debtor, additional Proof of Claim forms can be obtained by following the instructions below:

- Proof of Claim forms in the CCAA proceedings may be found on the Monitor's website at www.ey.com/ca/abitiibowater or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, it will provide you with additional Proof of Claim forms in the CCAA proceedings as soon as possible.

IF YOU HAVE ANY QUESTIONS REGARDING THE CANADIAN CLAIMS PROCEDURE, PLEASE CALL THE MONITOR AT 1-866-246-7889. FRENCH AND ENGLISH SPEAKING REPRESENTATIVES ARE AVAILABLE TO ASSIST YOU.

- Proof of Claim forms in the U.S. Proceedings may be found on the Claims Agent's website at <http://chapter11.epiqsystems.com/ABH> or obtained from the Claims Agent at the address indicated above.

CANADIAN PETITIONERS, CROSS-BORDER PETITIONERS, PARTNERSHIPS AND U.S. DEBTORS

Canadian Petitioners

Abitibi-Consolidated Inc.
Abitibi-Consolidated Company of Canada
3224112 Nova Scotia Limited
Marketing Donohue Inc.
Abitibi-Consolidated Canadian Office Products Holding Inc.
3834328 Canada Inc.
6169678 Canada Inc.
4042140 Canada Inc.
Donohue Recycling Inc.
1508756 Ontario Inc.
3217925 Nova Scotia Company
La Tuque Forest Products Inc.
Abitibi-Consolidated Nova Scotia Incorporated
Saguenay Forest Products Inc.
Terra Nova Explorations Ltd.
The Jonquiere Pulp Company
The International Bridge and Terminal Company
Scramble Mining Ltd.
9150-3383 Quebec Inc.
3231378 Nova Scotia Company
Bowater Canada Treasury Corporation
Bowater Shelburne Corporation
St-Maurice River Drive Company Limited
Bowater Treated Wood Inc.
Canexel Hardboard Inc.
9068-9050 Quebec Inc.
Alliance Forest Products Inc. (2001)
Bowater Belledune Sawmill Inc.
Bowater Mitis Inc.
Bowater Guerette Inc.
Bowater Couturier Inc.
Bowater Canadian Holdings Incorporated
Bowater Canada Finance Corporation
Bowater Canadian Limited
AbitibiBowater Canada Inc.
Bowater Canadian Forest Products Inc.
Bowater LaHave Corporation
Bowater Maritimes Inc.
Abitibi-Consolidated (U.K.) Inc.

Cross Border Petitioners

Bowater Canadian Holdings Incorporated
Bowater Canada Finance Corporation
Bowater Canadian Limited
AbitibiBowater Canada Inc.
Bowater Canadian Forest Products Inc.
Bowater LaHave Corporation
Bowater Maritimes Inc.
Abitibi-Consolidated (U.K.) Inc.

Partnerships

Bowater Canada Finance Limited Partnership
Bowater Pulp and Paper Canada Holdings Limited Partnership
Abitibi-Consolidated Finance LP

U.S. Debtors

AbitibiBowater Inc.
AbitibiBowater US Holding LLC
Donohue Corp.
Abitibi Consolidated Sales Corporation
Alabama River Newsprint Company
Abitibi-Consolidated Corporation
Augusta Woodlands, LLC
Tenex Data Inc.
Abitibi-Consolidated Finance LP
Bowater Newsprint South LLC
Bowater Newsprint South Operations LLC
Bowater Finance II, LLC
Bowater Alabama LLC
Coosa Pines Golf Club, LLC
Bowater Incorporated
Catawba Property Holdings LLC
Bowater Finance Company Inc.
Bowater South American Holdings, Inc.
Bowater America Inc.
Lake Superior Forest Products Inc.
Bowater Nuway Inc.
Bowater Nuway Mid-States Inc.
Bowater Ventures Inc.
AbitibiBowater US Holding 1 Corp

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AT 1-866-246-7889. FRENCH AND ENGLISH SPEAKING REPRESENTATIVES ARE AVAILABLE TO ASSIST YOU.