SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: **APRIL 16, 2010**

PRESENT: THE HONOURABLE MR. JUSTICE CLÉMENT GASCON, J.S.C.

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC.
And
ABITIBI-CONSOLIDATED INC.
And
BOWATER CANADIAN HOLDINGS INC.
And
The other Petitioners listed on Schedules "A", "B" and "C"
Petitioners

And
ERNST & YOUNG INC.
Monitor
and
AVENUE INVESTMENTS, L.P.
and
FAIRFAX FINANCIAL HOLDINGS LIMITED
Respondents

ORDER APPROVING AN AMENDMENT TO THE BI DIP CREDIT AGREEMENT AND FOR THE RECOGNITION OF THE U.S. DIP EXTENSION ORDER

JG1793

[1] **CONSIDERING** the *Motion for the issuance of an Order approving an Amendment to the Bi Dip Credit Agreement and for the Recognition of the U.S. Dip Order* (the "**Motion**");

[2] **CONSIDERING** the **representations** of the parties;

[3] **CONSIDERING** the provisions of the CCAA;

FOR THESE REASONS, THE COURT:

[4] **GRANTS** this Motion.

[5] **EXEMPTS** the Petitioners from having to serve this Motion and from any notice or delay of presentation.

[6] **ORDERS** that the "Amendment No. 6 to the Credit Agreement" (attached hereto as **Schedule D**) (the **"Sixth Amendment"**) and the provisions thereof are hereby approved and that any reference in the Initial Order of this Court, as amended, to the BI DIP Credit Agreement shall be deemed to be a reference to the BI DIP Credit Agreement as amended by the Sixth Amendment.

[7] **ORDERS** that the execution and delivery by AbitibiBowater Inc., Bowater Inc. and Bowater Canadian Forest Products Inc. (collectively, the **"BI DIP Borrowers"**) of the Sixth Amendment, as well as all related documents and instruments executed or to be executed and delivered in connection therewith, are hereby ratified, authorized and approved.

[8] **ORDERS AND DECLARES** that the *Order Authorizing the Bowater Debtors to Enter into the Sixth Amendment to the Bowater DIP Credit Agreement* issued on April 14, 2010 by the U.S. Court (attached hereto as **Schedule E**), which said order, in respect of the BI DIP Facility and the BI DIP Credit Agreement, *inter alia*: (i) approved the Sixth Amendment; (ii) authorized the BI DIP Borrowers to enter into the Sixth Amendment; and (iii) declared that upon execution and delivery of the Sixth Amendment, the Sixth Amendment shall constitute valid and binding obligations of each of the BI DIP Borrowers, is recognized and given full force and effect in all provinces and territories of Canada in respect of all 18.6 Petitioners.

[9] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian Federal Court or administrative body and other nations and states to give effect to this Order and to assist the 18.6 Petitioners, Ernst & Young Inc. (the **"Monitor"**) and their respective agents in carrying out the terms of this Order and any other Order in these proceedings. All Courts or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 18.6 Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to Abitibi-Consolidated Inc. and/or the Monitor in any foreign proceedings and to assist the 18.6 Petitioners and the Monitor and their respective agents in carrying out the terms of this Order and any other Order in these proceedings.

[10] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

[11] **WITHOUT COSTS.**

J.S.C.

CLÉMENT GASCON, J.S.C.

Date of hearing: April 16, 2010

SCHEDULE "A"

ABITIBI PETITIONERS

1. ABITIBI-CONSOLIDATED INC.
2. ABITIBI-CONSOLIDATED COMPANY OF CANADA
3. 3224112 NOVA SCOTIA LIMITED
4. MARKETING DONOHUE INC.
5. ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS INC.
6. 3834328 CANADA INC.
7. 6169678 CANADA INC.
8. 4042140 CANADA INC.
9. DONOHUE RECYCLING INC.
10. 1508756 ONTARIO INC.
11. 3217925 NOVA SCOTIA COMPANY
12. LA TUQUE FOREST PRODUCTS INC.
13. ABITIBI-CONSOLIDATED NOVA SCOTIA INCORPORATED
14. SAGUENAY FOREST PRODUCTS INC.
15. TERRA NOVA EXPLORATIONS LTD.
16. THE JONQUIERE PULP COMPANY
17. THE INTERNATIONAL BRIDGE AND TERMINAL COMPANY
18. SCRAMBLE MINING LTD.
19. 9150-3383 QUÉBEC INC.
20. ABITIBI-CONSOLIDATED (U.K.) INC.

SCHEDULE "B"

BOWATER PETITIONERS

1. BOWATER CANADIAN HOLDINGS INC.
2. BOWATER CANADA FINANCE CORPORATION
3. BOWATER CANADIAN LIMITED
4. 3231378 NOVA SCOTIA COMPANY
5. ABITIBIBOWATER CANADA INC.
6. BOWATER CANADA TREASURY CORPORATION
7. BOWATER CANADIAN FOREST PRODUCTS INC.
8. BOWATER SHELBURNE CORPORATION
9. BOWATER LAHAVE CORPORATION
10. ST-MAURICE RIVER DRIVE COMPANY LIMITED
11. BOWATER TREATED WOOD INC.
12. CANEXEL HARDBOARD INC.
13. 9068-9050 QUÉBEC INC.
14. ALLIANCE FOREST PRODUCTS (2001) INC.
15. BOWATER BELLEDUNE SAWMILL INC.
16. BOWATER MARITIMES INC.
17. BOWATER MITIS INC.
18. BOWATER GUÉRETTE INC.
19. BOWATER COUTURIER INC.

SCHEDULE "C"

18.6 CCAA PETITIONERS

1. ABITIBIBOWATER INC.
2. ABITIBIBOWATER US HOLDING 1 CORP.
3. BOWATER VENTURES INC.
4. BOWATER INCORPORATED
5. BOWATER NUWAY INC.
6. BOWATER NUWAY MID-STATES INC.
7. CATAWBA PROPERTY HOLDINGS LLC
8. BOWATER FINANCE COMPANY INC.
9. BOWATER SOUTH AMERICAN HOLDINGS INCORPORATED
10. BOWATER AMERICA INC.
11. LAKE SUPERIOR FOREST PRODUCTS INC.
12. BOWATER NEWSPRINT SOUTH LLC
13. BOWATER NEWSPRINT SOUTH OPERATIONS LLC
14. BOWATER FINANCE II, LLC
15. BOWATER ALABAMA LLC
16. COOSA PINES GOLF CLUB HOLDINGS LLC

SCHEDULE "D"

AMENDMENT NO. 6 TO THE CREDIT AGREEMENT

AMENDMENT NO. 6 TO THE CREDIT AGREEMENT

Dated as of April __, 2010

THIS AMENDMENT NO. 6 TO THE CREDIT AGREEMENT (this "***Amendment***") is entered into by and among LAW DEBENTURE TRUST COMPANY OF NEW YORK, as Administrative Agent under the Credit Agreement referred to below (the "***Agent***"), ABITIBIBOWATER INC., a Delaware corporation ("***Parent***"), BOWATER INCORPORATED, a Delaware corporation ("***Bowater***"), BOWATER CANADIAN FOREST PRODUCTS INC. a Nova Scotia company ("***Bowater Canada***", and together with the Parent and Bowater, the "***Borrowers***"), and each of the Lenders under the Credit Agreement referred to below (the "***Lenders***").

PRELIMINARY STATEMENTS:

(1) Reference is made to that certain Senior Secured Superpriority Debtor In Possession Credit Agreement dated as of April 21, 2009, as amended or modified by Amendment No. 1 to the Credit Agreement dated as of June 5, 2009, Amendment No. 2 to the Credit Agreement dated as of June 24, 2009, Amendment No. 3 and Consent to the Credit Agreement dated as of August 31, 2009, Amendment No. 4 and Consent to the Credit Agreement dated as of December 4, 2009, and Consent and Waiver No. 5 dated as of January 6, 2010 (the "***Credit Agreement***"), in connection with the Cases (as defined therein) by and among the Borrowers, the guarantors from time to time party thereto, the Lenders and the Agent. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

(2) The parties hereto have agreed to amend the Credit Agreement as set forth below.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment. Effective as of the date hereof, subject to the satisfaction of the condition precedent set forth in Section 2 hereof:

(a) The defined term "Maturity Date" set forth in Section 1.01 of the Credit Agreement is hereby amended in its entirety to read as follows:

> "***Maturity Date***" means the earliest of (i) May 5, 2010; provided, however, that such date shall be extended to fifteen months following the Closing Date if, as of May 4, 2010, the Credit Parties shall have filed Reorganization Plans in the Cases; provided, further, that such date shall be extended to eighteen months following the Closing Date if, as of the last day of the fifteenth month following the Closing Date, the Credit Parties shall be using best efforts, as determined by the Required Lenders

in their sole discretion, to pursue confirmation of the Reorganization Plans described in the first proviso of this clause and seeking entry of the Confirmation Order, (ii) the effective date of the Reorganization Plans and (iii) the acceleration of the loans and termination of the commitments hereunder.

SECTION 2. Condition Precedent. This Amendment shall become effective as of the date hereof when, and only when (a) the Agent shall have received counterparts of this Amendment executed by each of the parties hereto and (b) each Bankruptcy Court shall have entered an order approving this Amendment.

SECTION 3. Representations and Warranties of the Borrowers. Each of the Borrowers hereby represents and warrants to the Agent and the Lenders as follows:

(a) Subject to the terms of the DIP Financing Orders, the execution, delivery and performance by such Borrower of this Amendment and the Credit Agreement (as amended hereby), and the transactions contemplated hereby and thereby, are within such Borrower's corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) such Borrower's charter or by-laws or (ii) any law or contractual restriction binding on or affecting such Borrower, and do not result in or require the creation of any Lien upon or with respect to any of its properties.

(b) Except as is required in connection with the Cases, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Borrower of this Amendment or the Credit Agreement (as amended hereby), or for the perfection of or the exercise by the Agent or any Lender of their respective rights and remedies under the Loan Documents (as amended hereby).

(c) Subject to the terms of the DIP Financing Orders, this Amendment and the Credit Agreement (as amended hereby) have been duly executed and delivered by such Borrower. This Amendment, together with the Credit Agreement (as amended hereby), are the legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and to general equitable principles.

(d) No Default or Event of Default as defined in any Loan Document has occurred and is continuing or would result from such Borrower's execution, delivery, or performance of its obligations under this Amendment or any Loan Document (as amended hereby).

SECTION 4. Reference to and Effect on the Loan Documents, Etc.

(a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in each of the other Loan Documents to the Credit

Agreement, "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(b) The Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

SECTION 5. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York and, to the extent applicable, the Bankruptcy Codes.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Very truly yours,

LAW DEBENTURE TRUST COMPANY
OF NEW YORK, as Administrative Agent and Collateral Agent

By:______________________________
Name:
Title:

Required Lenders:

AVENUE INVESTMENTS, L.P., as a Lender

By:______________________________
Name:
Title:

ODYSSEY AMERICA REINSURANCE CORPORATION, as a Lender

WENTWORTH INSURANCE COMPANY LTD., as a Lender

TIG INSURANCE COMPANY, as a Lender

THE NORTH RIVER INSURANCE COMPANY, as a Lender

By: Hamblin Watsa Investment Counsel Ltd., as Investment Manager for each of the foregoing

By ______________________________
Name:
Title:

Borrowers:

ABITIBIBOWATER INC.

By: ______________________________
Title:
Name:

BOWATER INCORPORATED

By: ______________________________
Title:
Name:

BOWATER CANADIAN FOREST PRODUCTS INC.

By: ______________________________
Title:
Name:

SCHEDULE "E"

U.S. ORDER AUTHORIZING THE BOWATER DEBTORS TO ENTER INTO THE SIXTH AMENDMENT TO THE BOWATER DIP CREDIT AGREEMENT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
ABITIBIBOWATER INC., *et al.*,[1]	)	Case No. 09-11296 (KJC)
	)	Jointly Administered
	)	
Debtors.	)	**Ref. Docket No. 1929**

ORDER AUTHORIZING THE BOWATER DEBTORS TO ENTER INTO THE SIXTH AMENDMENT TO THE BOWATER DIP CREDIT AGREEMENT

Upon the above-captioned debtors and debtors in possession's *Emergency Motion For An Order Authorizing The Bowater Debtors To Enter Into The Sixth Amendment To The Bowater Debtor In Possession Credit Agreement* (the "Motion")[2]; and upon consideration of the Motion and all pleadings related thereto; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and

1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the "SPV Debtors") commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors' and SPV Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

2 Capitalized terms used, but not otherwise defined, herein shall have the meaning ascribed to them in the Motion.

it appearing that the relief requested in the Motion is in the best interest of the Debtors' estates, their creditors and other parties-in-interest; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby ORDERED that:

1. The Motion is GRANTED.

2. The Sixth Amendment is hereby approved.

3. The Bowater Debtors are authorized to enter into the Sixth Amendment and to perform all acts, to make, execute and deliver all instruments and documents in connection therewith that may be reasonably required or necessary for the performance of their obligations under the Sixth Amendment.

4. Upon execution and delivery of the Sixth Amendment, the Sixth Amendment shall constitute valid and binding obligations of each of the Bowater Debtors, enforceable against each Bowater Debtor party thereto in accordance with the terms thereof. No obligation under the Sixth Amendment or this Order shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

5. Notwithstanding the possible applicability of Rules 6004(h), 7062, and 9014 of the Federal Rules of Bankruptcy Procedure or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: Wilmington, Delaware
April 14, 2010

HONORABLE KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE