SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: **JUNE 23, 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

ORDER AUTHORIZING THE PETITIONERS TO ENTER INTO THE BACKSTOP COMMITMENT AGREEMENT (#562)

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[1] **CONSIDERING** the Motion for the Issuance of (i) (a) an Order Approving Bid Procedures and Bid Protections with Respect to an Auction in Connection with the Petitioners' Rights Offering; (b) Scheduling an Auction and Hearing; (c) Authorizing the Petitioners to Make Certain Payments; and (d) Approving the Form and Manner of Notice Thereof; (ii) an Order Authorizing the Petitioners to (a) Enter into a Backstop Commitment Agreement and (b) Make Certain Payments Thereunder; and (iii) a Recognition Order (the "**Motion**") filed by the Petitioners in the restructuring process

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undertaken pursuant to the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

[2] **CONSIDERING** the order already issued by the Court on June 10, 2010 with respect to the Motion (the "**Canadian Bid Order**");

[3] **CONSIDERING** that, pursuant to the Canadian Bid Order, no bid was received before the Bid Deadline and no Auction has been conducted, thus leaving the Backstop Commitment Agreement as the Successful Bid following the process then approved by the Court;

[4] **CONSIDERING** the reasons set forth in the Canadian Bid Order in support of the Backstop Commitment Agreement in the context of the complex restructuring of the Petitioners;

[5] **CONSIDERING** that the Backstop Commitment Agreement, while being the best arrangement available to that end in the current market, increases at the same time the likelihood of success of achieving the amount of exit financing needed by the Petitioners and their likely emergence from these insolvency proceedings;

[6] **CONSIDERING** the representations of the parties, the broad support of all key stakeholders in the restructuring of the Petitioners, the positive recommendation of the Monitor, and the absence of contestation save for the reserves sought by some parties with respect to 1) the objections raised in front of the United States Bankruptcy Court on some aspects of the Backstop Commitment Agreement and 2) the judgments rendered therein in that regard;

[7] **CONSIDERING,** as already stated in the Canadian Bid Order, that nothing in this Order is intended to impact or affect the judgments rendered or to be rendered by the United States Bankruptcy Court in that regard;

[8] **GIVEN** the provisions of the CCAA;

FOR THESE REASONS, THE COURT:

[9] **APPROVES** the Backstop Commitment Agreement filed as Exhibit R-5 to the Motion, including the payment of the Aggregate Commitment Payments (as defined in the Motion), the indemnification provisions set forth therein and the Plan Support Covenant (as defined in the Motion);

[10] **DECLARES** that the Petitioners are authorized to enter into the Backstop Commitment Agreement subject to such amendments, as the parties to that agreement may agree in accordance with its terms, that are, in the opinion of the Monitor, either clerical or material improvements for the benefit of the Petitioners, and to take all actions necessary to perform their obligations thereunder;

[11] **DECLARES** that the Petitioners are authorized to execute and deliver all instruments and documents and take any other actions as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order;

[12] **DECLARES** that the Petitioners are authorized to pay all amounts due under the Backstop Commitment Agreement, including the Aggregate Commitment Payments, in accordance with the terms of the Backstop Commitment Agreement;

[13] **ORDERS** that notwithstanding:

(i) the proceedings under the CCAA;

(ii) any petitions for a receiving order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act ("**BIA**") and any order issued pursuant to any such petition; or

(iii) the provisions of any federal or provincial legislation;

the Backstop Commitment Agreement, the Plan Support Covenant and the payment of all amounts, including the Aggregate Commitment Payments, due under the Backstop Commitment Agreement and the performance of the indemnification provisions set forth therein, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they give rise to an oppression or any other remedy;

[14] **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 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, including the United States Bankruptcy Court for the District of Delaware, are hereby respectfully requested to make such orders and to provide such assistance to the 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 Petitioners and the Monitor and their respective agents in carrying out the terms of this Order and any other Order in these proceedings;

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

[16] **WITHOUT COSTS.**

CLÉMENT GASCON, J.S.C. J.S.C.

Me Sean Dunphy and Me Joseph Reynaud
STIKEMAN, ELLIOTT
Attorneys for Petitioners

Date of hearing: June 23, 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