

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: 500-11-036133-094

DATE: NOVEMBER 19, 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 DISTRIBUTION OF FUNDS HELD IN ESCROW BY
THE MONITOR (# 821)

- [1] **CONSIDERING** the Petitioners' *Motion for an Order Authorizing the Distribution of Funds Held in Escrow by the Monitor* dated November 5, 2010 (the "**Motion**");
- [2] **CONSIDERING** the representations of the parties and the absence of contestation by anyone;

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- [3] **CONSIDERING** the sale approval and vesting orders issued by this Court during the course of these CCAA Proceedings (said term as defined in the Motion), the whole as further described in the Motion;
- [4] **CONSIDERING** the Petitioners' *Amended and Restated Plan of Reorganization and Compromise* dated September 17, 2010 (as subsequently amended, the "**CCAA Plan**") sanctioned by order of this Court dated September 23, 2010 (the "**Sanction Order**");
- [5] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**");

FOR THESE REASONS, THE COURT:

- [1] **AUTHORIZES AND DIRECTS** the Monitor to distribute to the Petitioners on the Implementation Date (said term as defined in the CCAA Plan) or at the earliest practicable date thereafter (the "**Escrowed Funds Distribution**") all proceeds of asset sales or other dispositions which have been directed by this Court to be held by the Monitor (collectively, the "**Escrowed Funds**") including, without limitation:
 - (i) \$77,208,490.17 held by the Monitor in its escrow account as of November 5, 2010 representing proceeds of asset sales authorized by this Court during the course of these CCAA Proceedings;
 - (ii) any other proceeds received from and after the date hereof in connection with any asset sales or dispositions authorized by this Court prior to the Petitioners' emergence from these CCAA Proceedings;
 - (iii) any accrued interest on the sums included in (i) and (ii) above, minus any bank charges; and
 - (iv) any promissory notes held by the Monitor in connection with the above mentioned sales of assets or dispositions.
- [2] **ORDERS** that the Escrowed Funds Distribution shall be made conditional on : (i) the Holders of Secured Claims (said term as defined in the CCAA Plan) who hold valid security over the Escrowed Funds having their claims concurrently satisfied on the Implementation Date; and (ii) the cancellation of the CCAA Charges (said term as defined in the CCAA Plan), the whole in accordance with the terms of the CCAA Plan and the Sanction Order.
- [3] **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

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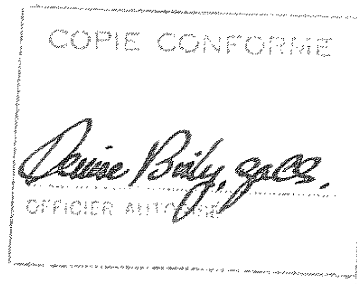
(iii) the provisions of any federal or provincial legislation;

the Escrowed Funds Distribution is 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 it give rise to an oppression or any other remedy.

- [4] **AUTHORIZES** the Monitor to take any and all steps which the Monitor, in its sole discretion and in consultation with the Petitioners, may deem necessary in order to give effect to the above orders.
- [5] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.
- [6] **WITHOUT COSTS.**


CLÉMENT GASCON, J.S.C.
J.S.C.

Me Sean Dunphy and MeGuillaume Boudreau-Simard
Stikeman Elliott LLP
Attorneys for Petitioners



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