

SUPERIOR COURT

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

No.: 500-11-036133-094

DATE: October 15, 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 Appendices "A", "B" and "C"

Petitioners/Respondents

And

ERNST & YOUNG INC.

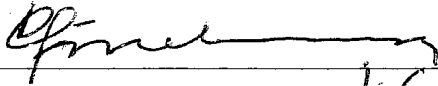
Monitor/Petitioner

**ORDER AUTHORIZING AND DIRECTING THE MONITOR TO SELL
SHARES OF NEW ABH COMMON STOCK ISSUED TO CERTAIN
GOVERNMENT ENTITIES (#798)**

- [1] **CONSIDERING** the Motion for an Order Authorizing and Directing the Monitor to Sell Shares of New ABH Common Stock Issued to Certain Government Entities (the “**Motion**”);
- [2] **CONSIDERING** the Sixty-Fourth Report of the Monitor dated October 7, 2010 (the “**Sixty-Fourth Report**”) filed in support of the Motion;

FOR THESE REASONS, THE COURT:

- [3] **GRANTS** the Motion.
- [4] **APPROVES** the form of direction (the “**Direction**”) attached as Appendix “F” to the Sixty-Fourth Report and attached as Schedule “D” hereto.
- [5] **AUTHORIZES AND DIRECTS** the Monitor, in its capacity as Disbursing Agent under the Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries (the “**CCAA Plan**”), to sell the shares of new common stock of the post-emergence reorganized AbitibiBowater Inc. (the “**Shares**”) issued to the governmental or government-owned entities that are prohibited by statute or otherwise from holding shares in an unrelated public entity (each a “**Government Entity**”) in accordance with the Direction, provided such direction is delivered to the Monitor prior to the initial distribution date described in the CCAA Plan.
- [6] **AUTHORIZES AND DIRECTS** the Monitor, as Disbursing Agent, to, pursuant to each Direction delivered to the Monitor, sell the Shares in any public stock exchange in which the Shares are listed for trading at the sale price in effect at the moment of such trade and deliver the proceeds from the sale to each respective Government Entity as expeditiously as possible.
- [7] **DECLARES** that the Monitor, as Disbursing Agent, is not responsible for any taxes or fees arising from or in relation to the issuance or sale of the Shares and that the Monitor is under no obligation to obtain any particular or any minimum sale price for the Shares.
- [8] **DECLARES** that the Monitor, as Disbursing Agent, is released and discharged from any and all liability that the Monitor may have or that could arise from the sale of the Shares and the proceeds received therefrom, with the exception of any liability arising from bad faith or gross negligence on the part of the Monitor.
- [9] **THE WHOLE WITHOUT COSTS.**


J. C. S.
(CLÉMENT GASON)

SCHEDULE "A"

ABITIBI PETITIONERS

1. Abitibi-Consolidated Company of Canada
2. Abitibi-Consolidated Inc.
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding 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 Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.

SCHEDULE “B”

BOWATER PETITIONERS

1. Bowater Canada Finance Corporation
2. Bowater Canadian Limited
3. Bowater Canadian Holdings. Inc.
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. Canoxel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
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 PETITIONERS

1. AbitibiBowater US Holding 1 Corp.
2. AbitibiBowater Inc.
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”
FORM OF DIRECTION

DIRECTION

TO: Ernst & Young Inc., in its capacity as Disbursing Agent (the "Monitor" or the "Disbursing Agent") under the Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries (the "CCAA Plan")

AND TO: [Relevant Abitibi entity]

FROM: [Government entity]

RE: The Distribution of Shares of New ABH Common Stock pursuant to Section 2.4 of the CCAA Plan. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the CCAA Plan.

WHEREAS pursuant to Section 2.4 of the CCAA Plan, certain Affected Unsecured Creditors are to receive, *inter alia*, their *pro rata* share of shares of New ABH Common Stock (the "Shares") in full and final satisfaction of their Proven Claim.

AND WHEREAS [Government Entity] is legally prohibited from holding the Shares (the "Legal Prohibition") in its own name by virtue of [Name of Statute or otherwise];

AND WHEREAS the Monitor, as Disbursing Agent, has agreed, subject to Court approval and subject to the Monitor being satisfied as to the effect of the Legal Prohibition, to sell the Shares issued in the name of [Government Entity] upon delivery of this Direction and to deliver to [Government Entity] the proceeds from the sale of the Shares.

NOW THEREFORE the Disbursing Agent is hereby irrevocably authorized and directed to sell the Shares issued in the name of [Government Entity] on the date of issuance of the New ABH Common Stock, or as soon thereafter as is practicable, in any public stock exchange in which the Shares are listed for trading at the sale price in effect at the moment of such sale, and deliver to [Government Entity] the proceeds from the sale of the Shares by way of cheque to the following address:

[NTD: insert address of Government Entity].

The undersigned, [Government Entity], acknowledges and agrees that the Monitor is not responsible for payment of any taxes or fees arising out of or in relation to the issuance or sale of the Shares and all such taxes and fees are the responsibility of [Government Entity] and will be paid directly by [Government Entity].

The undersigned, [Government Entity], also acknowledges and agrees that the Monitor makes no representations, warranties or covenants in respect of the amount of proceeds that will be

received from the sale of the Shares and that the Monitor is under no obligation to obtain any particular or any minimum sale price for the Shares.

The undersigned, **[Government Entity]**, hereby releases and discharges the Monitor from any and all liability that the Monitor may have or that could arise from the sale of the Shares and the proceeds received therefrom, with the exception of any liability arising from bad faith or gross negligence on the part of the Monitor.

Dated this _____ day of October, 2010.

[GOVERNMENT ENTITY]

Per: _____
Name: ►
Title: ►

Acknowledged and consented to this _____ day of October, 2010.

ERNST & YOUNG INC., in its capacity as the Monitor and the Disbursing Agent under the CCAA Plan, and not in its personal or corporate capacity

Per: _____
Name: ►
Title: ►