

**IN THE MATTER OF THE PROPOSED
CCAA PLAN OF REORGANIZATION AND COMPROMISE**

Involving

ABITIBIBOWATER INC. AND CERTAIN OF ITS SUBSIDIARIES

MEETINGS OF AFFECTED UNSECURED CREDITORS

to be held pursuant to an Order of the Québec Superior Court (Commercial Division) made on July 9, 2010, as amended on July 21, 2010 (the “**Creditors’ Meeting Order**”) in connection with the CCAA Plan of Reorganization and Compromise of AbitibiBowater Inc. and certain of its subsidiaries (as amended from time to time, the “**CCAA Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) and Section 191 of the *Canada Business Corporations Act* (Canada) and such other legislation to be set forth in the Restructuring Transactions Notice

on September 14, 2010 at 10:00 a.m. (Montréal time) at
the Hilton Montreal Bonaventure,
900 de La Gauchetière West, Montréal, Québec, H5A 1E4, Canada

and at any adjournment, postponement or other rescheduling thereof with respect to each class of Affected Unsecured Creditors (the “**Creditors’ Meeting**”).

PROXY AND NON-REGISTERED NOTEHOLDERS' INSTRUCTIONS

COMPLETE, SIGN AND DATE THIS PROXY AND RETURN IT TO ERNST & YOUNG INC., IN ITS CAPACITY AS MONITOR, BY 5:00 P.M. EASTERN TIME ON SEPTEMBER 13, 2010 OR PRIOR TO 5:00 P.M. EASTERN TIME ON THE BUSINESS DAY IMMEDIATELY PRECEDING ANY ADJOURNMENT, POSTPONEMENT OR ANY RESCHEDULING OF THE CREDITORS' MEETINGS (THE "**VOTING DEADLINE**"). PLEASE RETURN YOUR PROXY TO THE MONITOR SO THAT IT IS ACTUALLY RECEIVED ON OR BEFORE THE VOTING DEADLINE. YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR PROXY SHOULD BE SENT DIRECTLY TO ERNST & YOUNG INC. This Proxy may also be deposited with the Chair at your Creditors' Meeting before the beginning of such Creditors' Meeting.

LA VERSION FRANÇAISE DE CETTE PROCURATION ET DE CE BULLETIN DE VOTE SERA DISPONIBLE SUR LE SITE WEB DU CONTRÔLEUR DÉSIGNÉ AUX TERMES DE LA LACC, À L'ADRESSE www.ev.com/ca/abitibibowater

Please use this Proxy if you do not wish to attend your Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend your Creditors' Meeting, vote your Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at your Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The CCAA Plan is Appendix C to the Notice of Meeting and information circular of AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010 (collectively, the "Circular"), a copy of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Circular.

You should review the Circular and the CCAA Plan before you vote. In addition, on July 9, 2010, the Québec Superior Court (Commercial Division) issued an order, as amended on July 21, 2010, establishing certain procedures for the conduct of the Creditors' Meetings (the "Creditors' Meeting Order") to be held in respect of each Affected Unsecured Creditor Class, a copy of which is Appendix D to the Circular. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is sanctioned by the Québec Superior Court, it will be binding on you whether or not you vote.

TO BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER PRIOR TO SENDING THIS PROXY TO THE NON-REGISTERED NOTEHOLDER

Name of Non-registered Noteholder: _____
 Name of Participant Holder for this Non-registered Noteholder: _____

Account Number: _____

Type **(please check)** and principal amount of Canadian Unsecured Notes held for this Non-registered Noteholder:

- | | | |
|---|-------|----------|
| ☐ 6.00% Senior Notes due June 20, 2013 issued by ACCC (CUSIP 003669AC2) | _____ | (Amount) |
| ☐ 7.40% Debentures due April 1, 2018 issued by ACI (CUSIP 003924AB3) | _____ | (Amount) |
| ☐ 7.50% Debentures due April 1, 2028 issued by ACI (CUSIP 003924AC1) | _____ | (Amount) |
| ☐ 7.75% Notes due June 15, 2011 issued by ACCC (CUSIP 003669AF5) | _____ | (Amount) |
| ☐ 7.95% Notes due November 15, 2011 issued by BCFC (CUSIP 102175AB2) | _____ | (Amount) |
| ☐ 8.375% Senior Notes due April 1, 2015 issued by ACCC (CUSIP 003669AJ7) | _____ | (Amount) |
| ☐ 8.50% Debentures due August 1, 2029 issued by ACI (CUSIP 003924AD9) | _____ | (Amount) |
| ☐ 8.55% Senior Notes due August 1, 2010 issued by ACI (CUSIP 003924AG2) | _____ | (Amount) |
| ☐ 8.85% Debentures due April 1, 2030 issued by ACI (CUSIP 003924AH0) | _____ | (Amount) |
| ☐ 10.26% Senior Notes (Series D) due January 15, 2011 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) (CUSIP 1022149B1) | _____ | (Amount) |
| ☐ 10.50% Senior Notes (Series B) due June 15, 2010 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) (CUSIP 102214AB9) | _____ | (Amount) |
| ☐ 10.60% Senior Notes (Series C) due January 15, 2011 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) (CUSIP 1029919A6) | _____ | (Amount) |
| ☐ 10.625% Senior Notes (Series A) due June 15, 2010 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) (CUSIP 10299AAV8) | _____ | (Amount) |
| ☐ 10.85% Debentures due November 30, 2014 issued by BCFPI (f/k/a Canadian Pacific Forest Products Limited) (CUSIP 05356KAB0) | _____ | (Amount) |
| ☐ 15.5% Senior Unsecured Notes due July 15, 2010 issued by ACCC (CUSIP 003669AK4) | _____ | (Amount) |
| ☐ Floating Rate Notes due June 15, 2011 issued by ACCC (CUSIP 003669AG3) | _____ | (Amount) |

Participant Holder Signature: _____
 (Print Name of Contact at Participant Holder)

Phone Number of Participant Holder: _____ **By:** _____

 (Signature of authorized signing officer of Participant Holder)

ACCC = Abitibi-Consolidated Company of Canada; ACI = Abitibi-Consolidated Inc.; ACF LP = Abitibi-Consolidated Finance L.P.; BCFC = Bowater Canada Finance Corporation; BCFPI = Bowater Canadian Forest Products Inc.

REMAINDER OF PROXY TO BE COMPLETED BY THE NON-REGISTERED NOTEHOLDER

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Non-registered Noteholder hereby revokes all proxies previously given and nominates, constitutes and appoints either _____ or a representative of Ernst & Young Inc., in its capacity as Monitor, as proxyholder (if you would like the Monitor to act as your proxyholder, leave space blank) with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the undersigned's Creditors' Meeting and any adjournment(s) thereof, and to vote the amount of the Creditors' Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the undersigned's Creditors' Meeting or any adjournment thereof and to vote the amount of the Non-registered Noteholder's Claim as permitted pursuant to the Creditors' Meeting Order and the CCAA Plan as follows (mark only one):

☐ Vote **FOR** approval of the CCAA Plan

☐ Vote **AGAINST** approval of the CCAA Plan

Please note that if no specification is made hereinabove, the Non-registered Noteholder will be deemed to have voted FOR approval of the CCAA Plan.

Dated this _____ day of _____, 2010.

Print Name of Non-registered Noteholder

Mailing Address of Non-registered Noteholder

Signature of Non-registered Noteholder or, if the Non-registered Noteholder is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

E-mail address of Non-registered Noteholder

Telephone number of Non-registered Noteholder or authorized signing officer

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the CCAA Plan. This Proxy is not a letter of transmittal and may not be used for any purpose other than to appoint a proxyholder and to cast votes to accept or reject the CCAA Plan.

YOUR PROXY MUST BE ACTUALLY RECEIVED BY THE MONITOR AT THE COORDINATES LISTED BELOW ON OR BEFORE 5:00 P.M. EASTERN TIME ON THE VOTING DEADLINE (SEPTEMBER 13, 2010 OR PRIOR TO 5:00 P.M. EASTERN TIME ON THE BUSINESS DAY IMMEDIATELY PRECEDING ANY ADJOURNMENT, POSTPONEMENT OR ANY RESCHEDULING OF YOUR CREDITORS' MEETING), OR YOUR PROXYHOLDER APPOINTMENT AND VOTE, AND ELECTIONS, IF ANY, WILL NOT BE COUNTED. YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER.

By email:

**ERNST & YOUNG INC.
MONITOR OF ABITIBIBOWATER INC. *et al.*
800 René-Lévesque Blvd. West
Suite 2000
Montreal, Québec
H3B 1X9 Canada
Attention: ABH et al. Creditors' Meeting**

By facsimile:

514-879-3992

By email:

abitibibowater@ca.ey.com

This Proxy may also be hand-delivered to the Chair of your Creditors' Meeting prior to the commencement of such Creditors' Meeting.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL PROXY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT 1-866-246-7889 OR VISIT THE MONITOR'S WEBSITE AT www.ey.com/ca/abitibibowater

INSTRUCTIONS FOR COMPLETION OF PROXY AND ELECTION NOTICE

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the information circular of AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010, a copy of which you have received. Please read and follow these instructions carefully.
2. You are considered a Non-registered Noteholder because your Canadian Unsecured Notes are shown by the books and records of the trustee under your Canadian Unsecured Notes Indenture to be held by your broker, DTC, CDS, or another similar holder (a "Participant Holder") on your behalf.
3. **The box on page 3 of your proxy should have been completed and signed by your Participant Holder. If it has not been completed and signed, please contact your Participant Holder to arrange for it to be completed and signed.**
4. THE TOTAL AMOUNT OF ALL CANADIAN UNSECURED NOTES CLAIMS HAS BEEN DETERMINED AND ACCEPTED BY THE PETITIONERS. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM IN ORDER TO RECEIVE A DISTRIBUTION UNDER THE CCAA PLAN.
5. In order to appoint a proxyholder for your Creditors' Meeting using this Proxy and for your vote to accept or reject the CCAA Plan to count, you must:
 - a. If you wish to vote by proxy rather than in person at your Creditors' Meeting, either write in the name of your proxyholder in Item 1 or, if you would like a representative of the Monitor to act as your proxyholder, leave the space blank;
 - b. Check the appropriate box if you wish to vote by proxy rather than in person at your Creditors' Meeting (NOTE: if you do not check either box, you will be deemed to have voted **FOR** approval of the CCAA Plan);
 - c. Sign the Proxy — your original signature is required on the Proxy in order to appoint a proxyholder and vote at your Creditors' Meeting ;
 - d. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and
 - e. Return the completed Proxy to the Monitor (a) in the pre-paid, pre-addressed return envelope enclosed with this Proxy or (b) via personal delivery, overnight courier, or first class mail, (c) by facsimile or email at the coordinates set out below, so that it is actually received no later than 5:00 p.m. Eastern Time on September 13, 2010 or prior to 5:00 p.m. Eastern Time on the business day immediately preceding any adjournment, postponement or any rescheduling of your Creditors' Meeting.

By registered mail: Ernst & Young Inc.
800 René-Lévesque Blvd. West
Suite 2000
Montréal, Québec
H3B 1X9
Canada

Attention: ABH et al. Creditors' Meeting

By facsimile: 514-879-3992

By email: abitibowater@ca.ey.com

6. Each Non-registered Noteholder who has a right to vote at its Creditors' Meeting has the right to attend or appoint a person to attend, act and vote for and on behalf of the Non-registered Noteholder and such right may be exercised by inserting in the space provided the name of the Non-registered Noteholder or of the person to be appointed, as the case may be. If no name has been inserted in the space provided, the Non-registered Noteholder will be deemed to have appointed any officer of Ernst & Young Inc., in its capacity as Monitor, or such other person as Ernst & Young Inc. may designate, as proxy holder of the Non-registered Noteholder, with power of substitution, to attend on behalf of and act for the Non-registered Noteholder at its Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof.
7. You will receive, in full and final satisfaction of your Claims, your Pro Rata share of the number of shares of New ABH Common Stock set forth against the relevant Affected Unsecured Creditor Class in Schedule "C" to the CCAA Plan, in accordance with the provisions of the CCAA Plan, in the event that the CCAA Plan is accepted by the Required Majorities of Affected Unsecured Creditors and approved by the Court, provided, however, that each Non-registered Noteholder with Proven Claims in respect of a 15.5% Senior Unsecured Note Claim against a Canadian Petitioner will ultimately receive, in full and final satisfaction of such Proven Claims, its 15.5% Pro Rata share of the number of shares of New ABH Common Stock set forth against the name of the relevant Canadian Petitioner in Schedule "D" to the CCAA Plan.
8. If you believe you received the wrong form of Proxy, or if you need additional Proxies, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Voting Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
10. If the Creditor validly submits a Proxy to the Monitor and subsequently attends its Creditors' Meeting and votes in person inconsistently, the Creditor's vote at its Creditors' Meeting will supersede and revoke the earlier received Proxy.
11. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
12. Any Proxy that attempts to partially accept and partially reject the CCAA Plan will not be counted.
13. After the Voting Deadline, no Proxy may be withdrawn or modified, except by Proxy deposited with the Chair at your Creditors' Meeting or by voting in person at your Creditors' Meeting, without the prior consent of the Debtors.
14. If you hold Claims in more than one Class under the CCAA Plan, you may receive more than one Proxy for each different Class.

**IF YOU HAVE ANY QUESTIONS REGARDING THE PROXY OR THE
PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF THE
PROXY OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE
MONITOR AT 1-866-246-7889 OR
VISIT THE MONITOR'S WEBSITE AT
www.ey.com/ca/abitibowater**

**YOU MAY USE THE PRE-PAID, PRE-ADDRESSED RETURN ENVELOPE PROVIDED WITH THE
PROXY, OR YOU MAY RETURN YOUR PROXY BY PERSONAL DELIVERY, OVERNIGHT
COURIER, OR FIRST CLASS MAIL TO THE MONITOR OR YOU MAY SEND YOUR PROXY BY**

FACSIMILE OR EMAIL AT THE FOLLOWING COORDINATES:

By registered mail: Ernst & Young Inc.
800 René-Lévesque Blvd. West
Suite 2000
Montréal, Québec
H3B 1X9
Canada

Attention: ABH et al. Creditors' Meeting

By facsimile: 514-879-3992

By email: abitibibowater@ca.ey.com

**YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR PROXY
SHOULD BE SENT DIRECTLY TO ERNST & YOUNG INC.**