CANADA

PROVINCE OF QUÉBEC
DISTRICT OF
MONTRÉAL

No.: 500-11-036133-094

SUPERIOR COURT

Commercial Division
Sitting as a court designated pursuant to the Companies' Creditors Arrangement Act, R.S.C., c. C-36, as amended

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

ABITIBIBOWATER INC., a legal person incorporated under the laws of the State of Delaware, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
ABITIBI-CONSOLIDATED INC., a legal person incorporated under the laws of Canada, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
BOWATER CANADIAN HOLDINGS INC., a legal person incorporated under the laws of the Province of Nova Scotia, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
the other Petitioners listed on Appendices "A", "B" and "C";

Petitioners

And
ERNST & YOUNG INC., a legal person under the laws of Canada, having a place of business at 800 René-Lévesque Blvd. West, Suite 1900, in the City and District of Montréal, Province of Quebec, H3B 1X9;

Information Officer

SIXTH REPORT OF THE INFORMATION OFFICER
April 19, 2010

INTRODUCTION

1. On April 16, 2009, AbitbiBowater Inc. ("**ABH**"), Bowater Inc. ("**BI**") and certain of their direct and indirect U.S. and Canadian subsidiaries, including Bowater Canadian Holdings Incorporated ("**BCHI**") and Bowater Canadian Forest Products Inc., (collectively, the "**U.S. Debtors**"), commenced voluntary proceedings (the "**Chapter 11 Proceedings**") for relief under Chapter 11 ("**Chapter 11**") of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "**U.S. Bankruptcy Code**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**"). ABH LLC 1 and ABH Holding Company, two subsidiaries of ABH, commenced voluntary proceedings under Chapter 11 on December 21, 2009, and count among the U.S. Debtors.

2. On April 17, 2009, Abitibi-Consolidated Inc. ("**ACI**") and its subsidiaries (collectively, the "**Abitibi Petitioners**") and BCHI and its subsidiaries and affiliates (collectively, the "**Bowater Petitioners**" and, together with the Abitibi Petitioners, the "**CCAA Petitioners**") commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, as amended, (the "**CCAA**") pursuant to an Order of this Honourable Court (the "**Initial Order**"). Abitibi-Consolidated (U.K.) Inc., a subsidiary of ACI, was added as an Abitibi Petitioner in the CCAA Proceedings pursuant to an Order of this Honourable Court dated November 10, 2009. The Abitibi Petitioners are listed in Appendix "A" attached hereto and the Bowater Petitioners are listed in Appendix "B."

3. The CCAA Petitioners include BCHI, Bowater Canada Finance Corporation, Bowater Canadian Limited, Bowater Canadian Forest Products Inc. ("**BCFPI**"), Bowater LaHave Corporation and Bowater Maritimes Inc. which have commenced both CCAA Proceedings and Chapter 11 Proceedings (the "**Cross-Border Petitioners**").

4. Pursuant to the Initial Order, Ernst & Young Inc. ("**EYI**") was appointed as monitor of the CCAA Petitioners (the "**Monitor**").

5. On April 17, 2009, ABH and the other petitioners listed on Appendix "C" hereto (collectively, the "**18.6 Petitioners**") obtained Orders under Section 18.6 of the CCAA in respect of voluntary proceedings initiated under Chapter 11.

6. Pursuant to paragraph 78 of the Initial Order, EYI was appointed as the information officer in respect of the 18.6 Petitioners (the "**Information Officer**").

PURPOSE

7. The Initial Order provides that the Information Officer shall report to this Honourable Court at least once every two months (or at such times or intervals as the Information Officer deems appropriate) with an outline of the status of the Chapter 11 Proceedings in respect of the 18.6 Petitioners and such other information as the Information Officer believes to be material.

8. This is the Information Officer's Sixth Report (the "**Sixth Report**") and provides an update on the Chapter 11 Proceedings since the Fifth Report of the Information Officer dated February 17, 2009 (the "**Fifth Report**").

TERMS OF REFERENCE

9. In preparing this Sixth Report, the Information Officer has received and relied upon publicly available information obtained from the U.S. Bankruptcy Court and consultations with counsel to the U.S. Debtors.

10. Copies of all the Information Officer Reports, in both English and French, and all motion records and Orders in the CCAA Proceedings are available on the Monitor's website at www.ey.com/ca/abitibibowater.

11. Copies of all orders of the U.S. Bankruptcy Court are posted on the on Epiq Bankruptcy Solutions LCC's website at http://chapter11.epiqsystems.com/abitibibowater.

BACKGROUND

12. ABH is one of the world's largest publicly traded paper and forest product companies. It produces a wide range of newsprint and commercial printing papers, market pulp and wood products. ABH and its subsidiaries operate or own interests in pulp and paper facilities, wood products facilities and recycling facilities located in Canada, the United States, the United Kingdom and South Korea.

13. Incorporated in Delaware and headquartered in Montreal, Quebec, ABH functions as a holding company; its business is conducted principally through four direct subsidiaries: BI, Bowater Newsprint South LLC, ACI and AbitibiBowater U.S. Holding LLC ("**ABH LLC**").

14. The CCAA Petitioners and the U.S. Debtors are all subsidiaries of ABH.

THE CHAPTER 11 PROCEEDINGS

15. Since the issuance of the Fifth Report, the Information Officer has been advised that the following significant relief was granted in the Chapter 11 Proceedings with respect to the 18.6 Petitioners:

(i) approval of the amendment (the "**Sixth Bowater DIP Amendment**") of the Senior Secured Superpriority Debtor In Possession Credit Agreement dated April 21, 2009, as amended, among ABH, BI and BCFPI and each of the lenders party thereto (the "**Bowater DIP Loan**") extending the maturity of the Bowater DIP Loan;

(i) authorization of BI to sell timberlands located in Rhea County, Tennessee, for approximately $1,096,700 pursuant to a real property contract with Rachel Pruett as purchaser (the "**Rhea County Sale**");

(ii) authorization and approval of (a) Alabama River Newsprint Company's ("**ARN**") sale, by and through its general partner, Abitibi-Consolidated Alabama Corporation, to Alabama River Pulp Company, Inc. ("**ARP**") and Alabama Pine Pulp Company of certain property and equipment located in Claiborne, Alabama free and clear of liens, claims, encumbrances and other interests, (b) the corresponding sale agreement, (c) the assumption of a related amended services agreement, (d) ARN's conveyance of real property and ARN's entry into a certain lease amendment with The Industrial Development Board of Monroe County, Alabama and (e) related relief (the "**Claiborne Sale**");

(iii) establishment of April 7, 2010 as the final date for workers who were employees of the U.S. Debtors as of the Petition Date or thereafter to file proofs of claims in the Chapter 11 Proceedings, and approval of the form and manner of notice of such bar date; and

(iv) approval of the U.S. Debtors' motion for dismissal of the Chapter 11 case of ABH LLC 2. ABH LLC 2, a special purpose vehicle, was formed in connection with a series of transactions designed to address a potential US$55.25 million withholding tax liability through the payment of certain intercompany debt (the

"Repayment Steps"), as approved by this Honourable Court in the CCAA Proceedings on December 1, 2009 and described in the Fourth Report. Pursuant to the Repayment Steps, ABH LLC 2 no longer exists as an independent legal entity and the U.S. Debtors moved to dismiss its Chapter 11 case.

16. Since the issuance of the Fifth Report, the Information Officer has been advised that the following significant motions were filed and are currently pending in the Chapter 11 Proceedings:

(i) a motion by the U.S. Debtors for an order extending the U.S. Debtors' exclusivity period to file a Chapter 11 plan or plans and solicit acceptances of such plan(s) to July 21, 2010 and September 9, 2010, respectively. The motion is scheduled to be addressed at a hearing on May 26, 2010;

(ii) a motion by the U.S. Debtors for an order (a) authorizing the sale of four decommissioned pulp and paper mills and related property, (b) authorizing Bowater Maritimes Inc.'s and BCFPI's entry into and performance of their obligations under a purchase and sale agreement with American Iron and Metal LP, (c) approving the assumption and assignment of certain contracts and (d) granting related relief (collectively, the **"Closed Mill Sale"**). The motion is scheduled to be addressed at a hearing on April 27, 2010; and

(iii) the first omnibus objection by the U.S. Debtors to claims pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007, seeking the disallowance and expunction of certain claims on the basis that they are duplicative or have been amended and superseded. The objection is scheduled to be addressed at hearing scheduled for April 27, 2010.

17. The U.S. Debtors continue to file notices of settlement of ordinary-course claims and notices of the assumption, assignment and/or rejection of leases and executory contracts in the usual manner.

18. The Information Officer has also been advised that administrative expense claims, fee applications and motions for relief from the stay continue to be resolved in the usual manner.

THE SIXTH BOWATER DIP AMENDMENT

19. At the outset of the Chapter 11 Proceedings, BI, ABH and BCFPI obtained the Bowater DIP Loan, as more fully described in the First Report of the Information Officer dated June 17, 2009. The Bowater DIP Loan had an initial maturity date of April 21, 2010 with the possibility of two three-month extensions without the lenders' consent so long as certain conditions were met. The first such extension was contingent on the U.S. Debtors filing a plan of reorganization or compromise or arrangement in form and substance reasonably acceptable to a majority of Bowater DIP Loan lenders on or before the initial maturity date.

20. Despite substantial progress, the Information Officer has been advised that the U.S. Debtors were concerned plan negotiations might not be completed by April 21, 2010. As a result, the U.S. Debtors engaged the Bowater DIP Loan lenders in negotiations to extend the loan's maturity.

21. The Sixth Amendment amends the Bowater DIP Loan's maturity date to provide an incremental two-week period past the initial maturity date, to May 5, 2010, to continue plan negotiations. The extension reflects the financial terms originally set forth in the Bowater DIP Loan for the initial three-month extension: a 50 basis point fee and a 50 basis point increase in the interest rate. The Information Officer understands that the fee will cost the U.S. Debtors approximately US$1 million.

22. The Sixth Amendment also preserves the U.S. Debtors' ability to obtain two additional extensions of the maturity date, subject to certain conditions. The availability of the first extension, to July 21, 2010, depends on the U.S. Debtors having filed by May 4, 2010 a plan of reorganization or compromise or arrangement in form and substance reasonably acceptable to a majority of the Bowater DIP lenders. The second extension, to October 21, 2010, relies on a determination by certain lenders that the U.S. Debtors are using their best efforts to pursue confirmation of such plans.

THE RHEA COUNTY SALE

23. The assets being sold pursuant to the Rhea County Sale include 997 acres of timberland owned by BI in Rhea County, Tennessee. The assets are remote acreage with neither abundant useable timber nor an opportunity for timber management due to excessive slope. The assets' primary value to buyers lie in either its use for aesthetic purposes or for

recreational use. Although the sale will not relieve significant costs for the U.S. Debtors, it will provide some manner of property tax relief.

THE CLAIBORNE SALE

24. The Claiborne Sale includes the sale of certain effluent treatment equipment and real property interests related to a newsprint mill in Claiborne, Alabama that is leased and operated by ARN. The sale also involves the U.S. Debtors' assumption of an amended services agreement concerning ARP's provision of raw materials and services to the mill.

25. The newsprint mill is currently idle, and the services agreement no longer reflects ARN's needs for raw materials and services. The Claiborne Sale is designed to restructure the U.S. Debtors' relationship with ARP to reflect current needs associated with the mill. The proceeds of the transaction are expected to include US$1.25 million in cash consideration and the benefits of reduced payments under the amended services agreement.

THE CLOSED MILL SALE

26. The Closed Mill Sale features the sale of four decommissioned pulp and paper mills and related real property in Canada as part of ABH and its subsidiaries' continuing efforts to divest themselves of unprofitable and burdensome assets. BCFPI and Bowater Maritimes Inc. own two of the four mills, and ACCC and ACI own the others. The Close Mill Sale motion requests authority for BCFPI and Bowater Maritimes Inc. to consummate the sale. A motion has also been filed with this Honourable Court by the CCAA Petitioners seeking authorization for the sale of the four pulp and paper mills.

27. The Petitioners expect to realize $8.8 million Canadian for the closed mills, plus 40% of the proceeds of any subsequent sale of the paper machines located at the mills. The purchaser is obligated to pay $5 million Canadian within ninety days of the initial closing regardless of whether any such sale takes place.

All of which is respectfully submitted.

ERNST & YOUNG INC.
in its capacity as the Court Appointed Information Officer of the Petitioners

Per:

Alex Morrison, CA, CIRP
Senior Vice President

Greg Adams, CA, CIRP
Senior Vice President

Martin Daigneault, CA, CIRP
Senior Vice President

APPENDIX "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.
20. Abitibi- Consolidated (U.K.) Inc

APPENDIX "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. Canexel 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.

APPENDIX "C"

18.6 PETITIONERS

20. AbitibiBowater US Holding 1 Corp.
21. AbitibiBowater Inc.
22. Bowater Ventures Inc.
23. Bowater Incorporated
24. Bowater Nuway Inc.
25. Bowater Nuway Mid-States Inc.
26. Catawba Property Holdings LLC
27. Bowater Finance Company Inc.
28. Bowater South American Holdings Incorporated
29. Bowater America Inc.
30. Lake Superior Forest Products Inc.
31. Bowater Newsprint South LLC
32. Bowater Newsprint South Operations LLC
33. Bowater Finance II, LLC
34. Bowater Alabama LLC
35. Coosa Pines Golf Club Holdings, LLC