CANADA	**SUPERIOR COURT**
PROVINCE OF QUÉBEC **DISTRICT OF** **MONTRÉAL**	Commercial Division *Sitting as a court designated pursuant to the Companies' Creditors Arrangement Act, R.S.C., c. C-36, as amended*
No.: 500-11-036133-094	

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

NINTH REPORT OF THE INFORMATION OFFICER
October 20, 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 ("**BCFC**"), 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 Ninth Report (the "**Ninth Report**") and provides an update on the Chapter 11 Proceedings since the Eighth Report of the Information Officer dated August 19, 2010 (the "**Eighth Report**").

TERMS OF REFERENCE

9. In preparing this Ninth 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 Epiq Bankruptcy Solutions LLC'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 and South Korea. ABH's United Kingdom subsidiary, Bridgewater Paper Company Ltd. ("**Bridgewater**"), filed for administration, pursuant to the United Kingdom's Insolvency Act of 1986, on February 2, 2010. The UK Administrator announced on May 19, 2010 that it had sold the property formerly owned by Bridgewater.

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 ("**ABUSH**").

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

THE CHAPTER 11 PROCEEDINGS

15. Since the issuance of the Eighth 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) denial of the request of certain holders of equity interests in ABH for reconsideration of the U.S. Bankruptcy Court's previous refusal to appoint an official equity committee;

(ii) extension of the U.S. Debtors' exclusive period to file a plan of reorganization under Chapter 11 and to solicit acceptances thereto to October 16, 2010 and December 16, 2010, respectively;

(iii) authorization for the U.S. Debtors to (i) enter into certain engagement letters in connection with anticipated exit financing (including a notes offering or, in the alternative, a new credit facility); (ii) incur and pay related fees; and (iii) form a special purpose issuer (collectively, the "**Notes Offering**");

(iv) authorization for the U.S. Debtors to (i) enter into a commitment letter and related fee letters in connection with an asset-based facility; (ii) pay associated fees and expenses; and (iii) furnish related indemnities (collectively, the "**ABL Facility**");

(v) authorization for the U.S. Debtors to file under seal certain confidential fee schedules and fee letters related to the Notes Offering and ABL Facility;

(vi) authorization for Bowater Nuway Inc. and Bowater Nuway Mid-States Inc. ("**Bowater Nuway**") to enter into a US$4.6 million purchase and sale agreement with True Partners Financial Services, LLC for the sale of approximately 16.3 acres of property, equipment and related improvements located in Covington, Tennessee that constituted Bowater Nuway's former paper coating facility (the "**Covington Sale**");

(vii) approval of a stipulation between ABH and certain unions representing employees at its U.S. facilities that amends ABH's existing master agreement and related collective bargaining agreements (the "**Collective Bargaining Stipulation**");

(viii) approval of a settlement of ABH's claim under the North American Free Trade Agreement ("**NAFTA**") against the Government of Canada with respect to the Government of Newfoundland and Labrador's expropriation of property and rights formerly owned by ACCC for CA$130 million (the "**NAFTA Claim Settlement**");

(ix) approval of a settlement between Bowater Catawba Note Holdings I LLC, Bowater Catawba Note Holdings II LLC and Bowater Saluda Note Holdings LLC (collectively, the "**SPE Issuers**"), the holders of certain notes issued by the SPE Issuers and BI (the "**SPE Notes Settlement**");

(x) authorization for the U.S. Debtors to establish an escrowed reserve for the benefit of the holders of certain disputed, contingent or unliquidated claims against the U.S. Debtors that were filed with no amount asserted as due (the "**Disputed Claims Reserve**"); and

(xi) authorization for the U.S. Debtors to exceed the customary limits on the number of claims that may be included in an omnibus claims objection for purposes of objecting to certain claims filed by the U.S. Debtors' current employees (the "**Employee Claims Objection Process**").

16. Since the issuance of the Eighth Report, the Information Officer has been advised that the following significant filings are currently pending in the Chapter 11 Proceedings:

(i) the U.S. Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as amended on October 6, 2010, the "**Chapter 11 Plan**").[1] The hearing on confirmation of the Chapter 11 Plan (the "**Confirmation Hearing**") commenced on September 24, 2010 and continued on September 30, 2010, October 7, 2010, October 8, 2010 and October 19, 2010. The hearing is currently scheduled to continue on November 5, 2010;

[1] The Chapter 11 Plan and the Second Amended Disclosure Statement with respect thereto are available on the Monitor's website at www.ey.com/ca/abitibibowater.

(ii) a statement by the Monitor in support of confirmation of the Chapter 11 Plan;

(iii) a statement by the Official Committee of Unsecured Creditors in support of confirmation of the Chapter 11 Plan;

(iv) the U.S. Debtors' memorandum of law in support of confirmation of the Chapter 11 Plan;

(v) the joint memorandum of law of Fairfax Financial Holdings Limited and Law Debenture Trust Company of New York, in its capacity as Indenture Trustee for the 8.00% senior convertible notes due 2013, in support of confirmation of the Chapter 11 Plan;

(vi) a declaration by Stephanie Kjontvedt of Epiq Bankruptcy Solutions, LLC reporting on voting results with respect to the Chapter 11 Plan, including with respect to the Cross-Border Debtors. Voting results for each of the Cross-Border Debtors were previously described to this Honourable Court in the Fifty-Eighth Report of the Monitor dated September 16, 2010 (the "**Fifty-Eighth Report**");

(vii) a limited objection by Wilmington Trust Company, solely as successor indenture trustee for the 7.95% notes due 2011 issued by BCFC ("**WTC**"), to confirmation of the Chapter 11 Plan with respect to BCFC and BI (the "**WTC Objection**");

(viii) an objection by Aurelius Capital Management, LP and Contrarian Capital Management, LLC (collectively, "**Aurelius**") to confirmation of the Chapter 11 Plan (the "**Aurelius Objection**");

(ix) an objection by the U.S. Trustee to confirmation of the Chapter 11 Plan (the "**U.S. Trustee Objection**");

(x) an objection by the Association of Western Pulp and Paper Workers to the Chapter 11 Plan (the "**AWPPW Objection**");

(xi) a response by Woodbridge Company Limited, Woodbridge International Holdings and Woodbridge International Holdings SA (the "**Woodbridge Response**") with respect to the proposed assumption of a certain contract by the U.S. Debtors;

(xii) objections by Robert Van Houten, Robert Wallis and Kelly Nickolson (respectively, the "**Van Houten Objection**", the "**Wallis Objection**" and the "**Nickolson Objection**") as described at paragraph 35 of this Report;

(xiii) an objection by Certain Equity Shareholders to the Chapter 11 Plan (the "**Equity Shareholders' Objection**");

(xiv) an objection by certain holders of ABH's common stock to the Chapter 11 Plan (the "**Common Stock Holders' Objection**");

(xv) an objection by John Haack to confirmation of the Chapter 11 Plan (the "**Haack Objection**") as described at paragraph 35 of this Report;

(xvi) the U.S. Debtors' omnibus reply to the objections to the Chapter 11 Plan;

(xvii) a motion by BI for authorization to seek advice and direction from this Honourable Court with respect to the Contribution Claim (as defined below) (the "**Canadian Advice Motion**");

(xviii) an objection of WTC to the Canadian Advice Motion;

(xix) a response of BCFC to the Canadian Advice Motion;

(xx) a corrected objection of Aurelius to the Canadian Advice Motion;

(xxi) an order to show cause why a Chapter 11 trustee should not be appointed in the case of BCFC (the "**Order to Show Cause**");

(xxii) the U.S. Debtors' response to the Order to Show Cause;

(xxiii) joinder to the U.S. Debtors' response to the Order to Show Cause by Wells Fargo Bank, N.A. as agent under the Credit and Guaranty Agreement dated as of April 1, 2008 (the "**ACCC Term Loan Agent**"), for the benefit of the lenders;

(xxiv) joinder to the U.S. Debtors' response to the Order to Show Cause by Wells Fargo Bank, N.A. as administrative agent under the Credit Agreement dated as of May 31, 2006 (the "**Bowater Loan Agent**"), on its own behalf and on behalf of the lenders thereunder;

(xxv) joinder to the U.S. Debtors' response to the Order to Show Cause by Fairfax Financial Holdings Limited and Law Debenture Trust Company of New York, in its capacity as Indenture Trustee for the 8.00% senior convertible notes due 2013;

(xxvi) a statement of Avenue Capital Management, LLC in support of the U.S. Debtors' response to the Order to Show Cause;

(xxvii) the Monitor's response to the Order to Show Cause;

(xxviii) a limited response by the Official Committee of Unsecured Creditors to the Order to Show Cause;

(xxix) Aurelius' response to the Order to Show Cause and an omnibus reply to those responses filed in opposition to the appointment of a Chapter 11 trustee for BCFC;

(xxx) WTC's response to the Order to Show Cause and reply to those responses filed in opposition to the appointment of a Chapter 11 trustee for BCFC;

(xxxi) the U.S. Debtors' reply to the responses of Aurelius and WTC to the Order to Show Cause;

(xxxii) the Report of the Special Advisor to BCFC, filed with the U.S. Bankruptcy Court under seal (the "**BCFC Advisor's Report**");

(xxxiii) a motion by BI for an order unsealing the BCFC Advisor's Report (the "**Unsealing Motion**");

(xxxiv) a statement by BCFC describing the circumstances surrounding the BCFC Advisor's Report but taking no position on the Unsealing Motion; and

(xxxv) an objection by WTC to the Unsealing Motion.

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

EXIT FINANCING

19. The motions of the U.S. Debtors with respect to the Notes Offering and the ABL Facility (the "**Exit Financing Motions**") are described in the Eighth Report. On August 24, 2010, the U.S. Bankruptcy Court granted each of the Exit Financing Motions, authorizing the U.S. Debtors to (i) enter into certain engagement letters, incur and pay related fees and set up a special purposes issuer in connection with the Notes Offering and (ii) enter into a commitment letter and certain other related agreements in connection with the ABL Facility.

20. At the commencement of the Confirmation Hearing on September 24, 2010, the U.S. Debtors advised the U.S. Bankruptcy Court that US$850 million of senior secured notes had been raised pursuant to the Notes Offering, the proceeds of which were to be deposited into an escrow account on October 4, 2010, and that arrangements with respect to the ABL Facility were progressing and were expected to be finalized shortly thereafter.

21. On September 21, 2010, the U.S. Debtors filed a notice with the U.S. Bankruptcy Court indicating their intention to reduce to $NIL the rights offering previously contemplated by the U.S. Debtors as a means of providing exit financing in connection with the Chapter 11 Plan.

COVINGTON SALE

22. The subject of the Covington Sale includes approximately 16.3 acres located in Covington, Tennessee, the shuttered manufacturing building and other improvements located thereon and certain equipment, all of which comprised Bowater Nuway's former paper coating operations. Bowater Nuway closed the facility in 2009 and it is not a part of ABH's post-emergence business platform.

23. The purchase and sale agreement approved by the U.S. Bankruptcy Court provides for a purchase price of US$4.6 million to be paid by True Partners Financial Services, LLC and for the assets to be sold "as is." The Covington Sale was approved by the U.S. Bankruptcy Court on October 4, 2010.

COLLECTIVE BARGAINING STIPULATION

24. The Collective Bargaining Stipulation provides for implementation of a Master Agreement dated April 14, 2010 between ABH and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, the International Brotherhood of Electrical Workers, the International Association of Machinists and the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada. The agreement provides for, among other things, a wage reduction, a performance incentive plan and the continued maintenance of certain pension plans for eligible employees. The agreement expires on April 27, 2014. The Collective Bargaining Stipulation was approved by the U.S. Bankruptcy Court on September 10, 2010.

NAFTA CLAIM SETTLEMENT

25. As more fully described in the Fifty-Fifth Report, ABH initiated arbitration proceedings under NAFTA to dispute the Government of Newfoundland and Labrador's expropriation of the majority of ACCC's assets in the Province and the cancellation of certain water rights and hydroelectric contracts. Initial settlement discussions were unsuccessful and formal proceedings against the Government of Canada commenced on February 25, 2010.

26. On August 24, 2010, the parties executed a settlement agreement by which the Government of Canada agreed to pay CA$130 million to ABH's primary reorganized Canadian operating subsidiary and ABH agreed to provide the Government of Canada with certain releases of its NAFTA claims. The settlement agreement is contingent on, among other things, approval from both this Honourable Court and the U.S. Bankruptcy Court. As noted in the Fifty-Seventh Report of the Monitor dated September 7, 2010, the NAFTA Claim Settlement was approved by this Honourable Court on September 1, 2010. Approval by the U.S. Bankruptcy Court was granted on September 14, 2010.

SPE NOTES SETTLEMENT

27. The SPE Issuers are non-debtor special purpose entities created by BI in connection with three separate timber land sale transactions in 2001 and 2002. In each transaction, BI sold certain timberlands in exchange for promissory notes executed by the purchaser, the principal amounts of which are payable in 2016 and 2017, as applicable. These notes are secured by letters of credit. BI created each SPE Issuer as a wholly owned subsidiary after the respective timberland sale, contributing to it the applicable promissory note and letter of credit. The SPE Issuers then issued senior secured notes, secured by a pledge of the promissory note and letter of credit held by such SPE Issuer, and agreed to pay income received from the timberland purchasers to the extent necessary to cover obligations due on the notes. With respect to Bowater Saluda Holdings LLC and Bowater Catawba Holdings II LLC, BI agreed to guarantee payment of a make-whole amount equal to 10% of the aggregate outstanding principal amounts on the notes issued by such SPE Issuer.

28. The notes were automatically accelerated upon the commencement of the Chapter 11 Proceedings, but the Information Officer understands that the noteholders and BI disagree about the consequences of that acceleration, particularly with respect to BI's make-whole guaranty. After a series of negotiations, the parties have agreed to the SPE Notes Settlement, which includes the following key terms: (i) BI's full membership interests in the SPE Issuers will be assigned to Lord Securities Corporation or any entity designated by it to hold such interests, with income from the promissory notes to continue to be paid for the benefit of the noteholders and (ii) each of BI, the noteholders and The Bank of New York Mellon Trust Company as collateral agent for the noteholders retain their rights, claims, defenses and factual and legal arguments regarding claims filed in the Chapter 11 Proceedings in respect of BI's alleged make-whole obligations.

29. The SPE Notes Settlement was approved by the U.S. Bankruptcy Court on September 29, 2010.

DISPUTED CLAIMS RESERVE

30. The Chapter 11 Plan defines "Disputed Claim" to mean any claim against a U.S. Debtor to the extent that (i) such claim is the subject of an objection, appeal or motion to estimate that has been timely filed and which has not been determined by a final order, (ii) such claim is scheduled by the U.S. Debtors as disputed, contingent and/or unliquidated, (iii)

during the period prior to the deadline fixed by the Chapter 11 Plan and/or the U.S. Bankruptcy Court for objecting to such claim, such claim is in excess of the amount scheduled as other than disputed, unliquidated or contingent or (iv) such claim may be for a disallowed amount pursuant to section 502(d) of the U.S. Bankruptcy Code. The Chapter 11 Plan provides that, from and after its effective date, the disbursing agent shall reserve and hold in escrow New ABH Common Stock in an amount equal to the pro rata share of distributions which would have been made to the holder of such Disputed Claim if it were an allowed claim (such amount to be determined in accordance with section 4.4(a) of the Chapter 11 Plan).

31. On October 4, 2010, the U.S. Bankruptcy Court granted a motion by the U.S. Debtors for authority to establish the Disputed Claims Reserve in the aggregate amount of $2,128,340.31 on account of certain Disputed Claims that were filed with no amount asserted as due (described in the U.S. Debtors' motion as "Zero Dollar Claims"). The U.S. Debtors reserved the right to file other motions to establish reserves for other Disputed Claims.

EMPLOYEE CLAIMS OBJECTION PROCESS

32. As further described in the Fifth Report of the Information Officer dated February 17, 2010, all persons who were employees of the U.S. Debtors as of the petition date or thereafter were required to file a proof of claim against the U.S. Debtors in the Chapter 11 Proceedings by April 7, 2010. The Information Officer understands that the U.S. Debtors' current employees have filed approximately 3,000 of such claims (the "**Employee Claims**"), asserting various grounds for alleged liability. The Information Officer has been advised that the U.S. Debtors anticipate objecting to between 1,500 and 2,500 of the Employee Claims on substantive grounds, beginning in the near term.

33. The Employee Claims Objection Process will allow the U.S. Debtors to file objections to the Employee Claims through a streamlined process. The U.S. Debtors have indicated that in the absence of a streamlined process, employees with disputed Employee Claims may have to wait to receive distributions while their coworkers with undisputed Employee Claims are paid, a situation which could threaten employee morale. Specifically, pursuant to the Employee Claims Objection Process, the U.S. Debtors have been granted permission to file a limited number of omnibus objections to Employee Claims, notwithstanding customary limits on the number of claims included in a single objection. The Employee

Claims Objection Process was approved by the US Bankruptcy Court during the Confirmation Hearing on October 19, 2010.

CONFIRMATION HEARING

34. The Confirmation Hearing commenced on September 24, 2010 and continued on September 30, 2010, October 7, 2010, October 8, 2010 and October 19, 2010. The Confirmation Hearing is currently scheduled to continue on November 5, 2010. The U.S. Debtors indicated in documents filed with the U.S. Bankruptcy Court prior to the commencement of the Confirmation Hearing that confirmation of the Chapter 11 Plan with respect to BCFC would not be pursued at this time. On October 6, 2010, the U.S. Debtors filed an amended version of the Chapter 11 Plan with the U.S. Bankruptcy Court, with certain modifications to remove BCFC from the Chapter 11 Plan and address certain objections to the Chapter 11 Plan.

35. A number of objections to confirmation of the Chapter 11 Plan and to proposed cure amounts in connection with executory contracts to be assumed pursuant to the Chapter 11 Plan were filed with the U.S. Bankruptcy Court prior to the commencement of the Confirmation Hearing (collectively, the "**Plan Objections**"). The U.S. Debtors have indicated in documents filed with the U.S. Bankruptcy Court that the majority of the Plan Objections have been consensually resolved. The Information Officer understands that the following Plan Objections remain outstanding:

(i) the Aurelius Objection, which relates to, *inter alia,* certain intercompany claims that Aurelius has asserted may be available to BCFC as a result of certain intercompany transactions (the "**Intercompany Claims**"), a claim under section 135 of the *Companies Act* (Nova Scotia) that Aurelius believes BCFC may hold against BI (the "**Contribution Claim**"), the allowance of a certain guaranty claim of Fairfax Financial Holdings Limited against BI (the "**Fairfax Guaranty Claim**") and certain other issues with respect to BCFC including whether the Chapter 11 Plan that was proposed by the U.S. Debtors was done in good faith;

(ii) the WTC Objection, which relates to, *inter alia,* the treatment of the claims against BCFC and BI held by holders of the 7.95% notes due 2011 issued by BCFC, and of WTC as indenture trustee, the allowance of the Fairfax Guaranty Claim, and certain other issues with respect to BI and BCFC including whether the Chapter 11 Plan that was proposed by the U.S. Debtors was done in good faith;

(iii) the Woodbridge Response, which relates to the U.S. Debtors' proposed assumption of a certain partnership agreement between Augusta Newsprint Inc. (a Woodbridge affiliate) and Abitibi Consolidated Sales Corporation;

(iv) the Van Houten Objection, which relates to the U.S. Debtors' SERP plans and the voting process on the Chapter 11 Plan;

(v) the Wallis Objection, which relates to the general course of the Chapter 11 Proceedings;

(vi) the Nickolson Objection, which relates to the provision of retiree benefits;

(vii) the AWPPW Objection, which relates to a labor dispute with respect to Ponderay Newsprint Company, a non-debtor;

(viii) the U.S. Trustee Objection, which relates to certain of the release and exculpation provisions in the Chapter 11 Plan and certain voting provisions of the Chapter 11 Plan providing for deemed acceptance by a class in the event that no votes are cast in that class. The U.S. Debtors have indicated that certain other aspects of the U.S. Trustee Objection have been consensually resolved;

(ix) the Haack Objection, which relates to certain aspects of the rights offering previously contemplated by the U.S. Debtors, and the enterprise valuation and financial information provided by the U.S. Debtors;

(x) the Equity Shareholders' Objection, which relates to the enterprise valuation and financial information provided by the U.S. Debtors, the management of the U.S. Debtors and the exclusion of equity shareholders from participation in the rights offering previously contemplated by the U.S. Debtors;

(xi) the Common Stock Holders' Objection, which relates to the enterprise valuation, financial information and liquidation analysis provided by the U.S. Debtors.

ORDER TO SHOW CAUSE AND CANADIAN ADVICE MOTION

36. BI, by its independent counsel Jones Day, filed the Canadian Advice Motion requesting authorization to seek advice and direction from this Honourable Court with respect to the nature and validity of the Contribution Claim. The hearing on the Canadian Advice Motion commenced before the U.S. Bankruptcy Court on September 14, 2010. The U.S. Bankruptcy Court did not rule on the Canadian Advice Motion at that time, and the motion was continued to the Confirmation Hearing. The Information Officer understands that the Canadian Advice Motion has not yet been addressed in the course of the Confirmation Hearing.

37. At the initial hearing on the Canadian Advice Motion on September 14, 2010, the U.S. Bankruptcy Court made the Order to Show Cause with respect to the appointment of a chapter 11 trustee to BCFC. A hearing on the Order to Show Cause was scheduled on September 24, 2010, the date of the commencement of the Confirmation Hearing.

38. As set out in paragraph 16 above, a number of responses to the Order to Show Cause were filed with the U.S. Bankruptcy Court. The appointment of a chapter 11 trustee for BCFC was opposed by the U.S. Debtors, the ACCC Term Loan Agent, the Bowater Loan Agent, Fairfax Financial Holdings Limited, Law Debenture Trust Company and Avenue Capital Management, LLC. Aurelius and WTC supported the appointment of a chapter 11 trustee. The UCC took no position with respect to the appointment to the extent doing so does not delay or disrupt confirmation of the Chapter 11 Plan. Otherwise, the UCC objected on the grounds that any delay is not in the interests of creditors of all estates other than that of BCFC. In the Monitor's response to the Order to Show Cause and its statement in support of the Chapter 11 Plan, the Monitor raised certain concerns with respect to the effect of any appointment of a Chapter 11 trustee for BCFC on the CCAA Proceedings with respect to BCFC and the stay that was then in place with respect to BCFC pursuant to the Initial Order, and with respect to the potential for delay of confirmation of the Chapter 11 Plan by such appointment.

39. Submissions on the Order to Show Cause have not yet been heard by the U.S. Bankruptcy Court. The hearing has been continued to November 5, 2010.

UNSEALING MOTION

40. BI contends in the Unsealing Motion that there is no basis for maintaining the BCFC Advisor's Report under seal, and that public disclosure of that report could further inform

the resolution of issues surrounding the Contribution Claim and Intercompany Claims and the Plan Objections filed by Aurelius and WTC. In its objection to the Unsealing Motion, WTC contends that unsealing the BCFC Advisor's Report would harm BCFC and would be inconsistent with the report's intended purpose. The Unsealing Motion and WTC's objection was scheduled to be heard by the U.S. Bankruptcy Court on October 7-8, 2010, during the course of the ongoing Confirmation Hearing, but the Information Officer understands that the Unsealing Motion was not addressed at that time. The hearing on the Unsealing Motion has been continued to November 5, 2010.

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

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