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;

Monitor

FIFTY-FIRST REPORT OF THE MONITOR
July 20, 2010

INTRODUCTION

1. On April 17, 2009, Abitibi-Consolidated Inc. ("**ACI**") and its subsidiaries listed in Appendix "A" hereto (collectively with ACI, the "**ACI Petitioners**") and Bowater Canadian Holdings Incorporated ("**BCHI**") and its subsidiaries and affiliates listed in Appendix "B" hereto (collectively with BCHI, the "**Bowater Petitioners**") (the ACI Petitioners and the Bowater Petitioners are collectively referred to herein as the "**Petitioners**") filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") pursuant to an Order of this Honourable Court, as amended on May 6, 2009 (the "**Initial Order**"). Pursuant to an Order of this Honourable Court dated November 10, 2009, Abitibi-Consolidated (U.K.) Inc., a subsidiary of ACI, was added to the list of the ACI Petitioners.

2. Pursuant to the Initial Order, Ernst & Young Inc. ("**EYI**") was appointed as monitor of the Petitioners (the "**Monitor**") under the CCAA and a stay of proceedings in favour of the Petitioners was granted until May 14, 2009 (the "**Stay Period**"). The Stay Period has been subsequently extended to September 8, 2010 pursuant to further Orders of this Honourable Court.

3. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. ("**BI**"), and certain of their direct and indirect U.S. and Canadian subsidiaries, including BCHI and Bowater Canadian Forest Products Inc. ("**BCFPI**") (collectively referred to herein as the "**U.S. Debtors**"), filed voluntary petitions (collectively, the "**Chapter 11 Proceedings**") for relief under 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**").

4. BCHI, Bowater Canada Finance Corporation, Bowater Canadian Limited, AbitibiBowater Canada Inc., BCFPI, Bowater LaHave Corporation and Bowater Maritimes Inc. have commenced both CCAA Proceedings and Chapter 11 Proceedings and are referred to herein collectively as the "**Cross-Border Petitioners**" and are also included in the definition of "**Petitioners**".

5. The Petitioners are all subsidiaries of ABH (ABH, collectively with its subsidiaries, are referred to as the "**ABH Group**").

6. On April 17, 2009, ABH and the petitioners listed on Appendix "C" hereto (collectively with ABH, the "**18.6 Petitioners**") obtained Orders under Section 18.6 of the CCAA in respect of voluntary proceedings initiated under Chapter 11 and EYI was appointed as the information officer in respect of the 18.6 Petitioners.

7. On April 16, 2009, ACI and ACCC filed petitions for recognition under Chapter 15 of the U.S. Bankruptcy Code. On April 21, 2009, the U.S. Bankruptcy Court granted the recognition orders under Chapter 15 of the U.S. Bankruptcy Code.

8. On April 22, 2009, the Court amended the Initial Order to extend the stay of proceedings to the partnerships (the "**Partnerships**") listed in Appendix "D" hereto.

BACKGROUND

9. ABH is one of the world's largest publicly traded pulp and paper manufacturers. It produces a wide range of newsprint and commercial printing papers, market pulp and wood products. The ABH Group owns interests in or operates pulp and paper facilities, wood products facilities and recycling facilities located in Canada, the United States, the United Kingdom and South Korea. The Petitioners' 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.

10. Incorporated in Delaware and headquartered in Montreal, Quebec, ABH functions as a holding company and its business is conducted principally through four direct subsidiaries: BI, Bowater Newsprint South LLC ("**Newsprint South**") (BI, Newsprint South and their respective subsidiaries are collectively referred to as the "**BI Group**"), ACI (ACI and its subsidiaries are collectively referred to as the "**ACI Group**") and AbitibiBowater US Holding LLC ("**ABUSH**") (ABUSH and its respective subsidiaries are collectively referred to as the "**DCorp Group**").

11. ACI is a direct and indirect wholly-owned subsidiary of ABH.

12. ABH wholly owns BI which in turn, wholly owns BCHI which, in turn, indirectly owns BCFPI which carries on the main Canadian operations of BI.

13. ACCC, a wholly-owned subsidiary of ACI, and BCFPI hold the majority of ABH's Canadian assets and operations.

PURPOSE

14. This is the fifty-first report of the Monitor (the "**Fifty-First Report**") in these CCAA Proceedings, the purpose of which is to report to this Honourable Court with respect to the Petitioners' motion for the issuance of an order amending the Creditors' Meeting Order (as defined herein) to revise the dates set out therein in accordance with a revised timetable.

TERMS OF REFERENCE

15. In preparing this Fifty-First Report, the Monitor has been provided with and, in making comments herein, has relied upon unaudited financial information, the ABH Group's books and records, financial information and projections prepared by the ABH Group and discussions with management of the ABH Group (the "**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Fifty-First Report. Some of the information referred to in this Fifty-First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future-oriented financial information referred to in this Fifty-First Report was prepared by the ABH Group based on Management's estimates and assumptions. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

16. Capitalized terms not defined in this Fifty-First Report are as defined in the previous reports of the Monitor and the Initial Order. All references to dollars are in U.S. currency and are translated at a rate of CDN$1.00=US$0.98 unless otherwise noted.

17. Copies of all of the Monitor's Reports, in both English and French, including a copy of this Fifty-First Report, and all motion records and Orders in the CCAA Proceedings will be available on the Monitor's website at www.ey.com/ca/abitibibowater. The Monitor has also established a bilingual toll-free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.

18. Copies of all of the U.S. Bankruptcy Court's orders are posted on the website for Epiq Bankruptcy Solutions LCC ("**Epiq**") at http://chapter11.epiqsystems.com/abitibibowater. The Monitor has included a link to Epiq's website from the Monitor's website.

CREDITORS' MEETING ORDER

19. On May 24, 2010, and on July 8, 2010, the Petitioners filed an amended Debtor's Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code with the U.S. Bankruptcy Court (the "**U.S. Plan**") and an amended CCAA Plan of Reorganization and Compromise (the "**CCAA Plan**") with this Honourable Court (the CCAA Plan together with the U.S. Plan, the "**Plans**"), respectively, along with the related disclosure statement issued by the Petitioners in the Chapter 11 Proceedings (the "**Disclosure Statement**") with the U.S. Bankruptcy Court and the Information Circular with this Honourable Court.

20. On July 9, 2010 this Honourable Court issued an Order (the "**Creditors' Meeting Order**") that, amongst other things:

    i. set a date of July 26, 2010 by which the Monitor would:

        a. publish the Meeting Materials (as defined in the Creditors' Meeting Order) on the Monitor's website;

b. send the Meeting Materials to Affected Unsecured Creditors (as defined in the Creditors' Meeting Order);

c. publish in the designated papers the Notice to Creditors and Shareholder Notice (as defined in the Creditors' Meeting Order);

ii. established August 26, 2010 as the date for the meeting of creditors; and

iii. established September 8, 2010 as the hearing date for an order sanctioning the Petitioners' CCAA Plan.

21. Late in the afternoon of July 9, 2010, after the hearing to approve the Creditors' Meeting Order, the U.S. Debtors were advised that the Official Committee of Unsecured Creditors (the "**UCC**") in the Chapter 11 Proceedings raised concerns with respect to the proposed rights offering contemplated by the Plans (the "**Rights Offering**").

22. As a result of these concerns, it was determined that the hearing to approve the Disclosure Statement and solicitation procedures (the "**Disclosure Statement Hearing**") in respect of the U.S. Plan could not be heard by the U.S. Bankruptcy Court on July 15, 2010 as had originally been scheduled. The Monitor understands that a new date of July 30, 2010 has been set by the U.S. Bankruptcy Court for the Disclosure Statement Hearing.

23. Since that time, the U.S. Debtors have been in discussions and negotiations with the UCC, certain investors (the "**Backstop Investors**") involved in the Rights Offering Backstop Commitment Agreement dated May 24, 2010 (the "**Backstop Commitment Agreement**") approved by this Honourable Court on June 23, 2010 and all of their respective advisors to resolve the issues identified by the UCC.

24. The U.S. Debtors and their advisors presented amendments to the proposed Rights Offering to the UCC and the Backstop Investors on July 16, 2010. The Monitor understands negotiations took place throughout this past weekend and on July 19, 2010 an agreement was reached with the U.S. Debtors, the UCC and the Backstop Investors.

The Monitor has been advised by the Petitioners that an amendment to the Backstop Commitment Agreement is in the process of being executed.

25. As a result of the delay in the Disclosure Statement Hearing to July 30, 2010, the U.S. Debtors' timetable to solicit proxies and confirm the U.S. Plan has been delayed by approximately 3 weeks. As a result, the Petitioners are proposing a new timetable for the CCAA Proceedings that will align with the U.S. timetable for the Chapter 11 Proceedings. The changes are as follows:

Description	**Original Date**	**Revised Date**
Mailing Record Date	June 30	Same
1st Rights Offering Record Date	June 30	Same
Mailing and publication of notices and materials	July 26	August 9
2nd Rights Offering Record Date	August 17	Same
Voting Record Date	August 17	September 7
Monitor's Report	August 18	September 3
Deadline to submit proxies	August 25	September 13
Meeting Date	August 26	September 14
1st Rights Offering Expiration Date	August 31	September 10
2nd Rights Offering Expiration Date	September 3	September 10
Objections Deadline (Notice of contestation re: Sanction Hearing)	September 3	TBD
Sanction Hearing	September 8	September 17[1]
Emergence Target Date	October 1	October 11

[1] Subject to the Court's availability

26. It is the Petitioners' view that the Chapter 11 Proceedings and the CCAA Proceedings must be coordinated given the complex cross-border nature of the ABH Group's restructuring and the integrated nature of the Plans. In addition, the Rights Offering is contemplated to occur simultaneously in the United States and in Canada.

27. Specifically, the Monitor notes that the Meeting Materials (as defined in the Creditors' Meeting Order) to be sent to the Cross-Border Petitioners include the U.S. Plan and Disclosure Statement (collectively the "**U.S. Documents**"). Given that the U.S. Documents will now not be approved by the U.S. Bankruptcy Court until the July 30, 2010 Disclosure Statement Hearing, the Monitor would not be able to comply with the July 26, 2010 deadline for publication and distribution of the Meeting Materials to the creditors of the Cross-Border Petitioners as contemplated in the Creditors' Meeting Order as it now stands.

28. In addition, the proposed amendment to the Backstop Commitment Agreement will need to be reflected in the Information Circular so as to be consistent with the Disclosure Statement and the subscription forms being issued to creditors with respect to the Rights Offering will need to be updated. By extending the mailing date, the Petitioners will have time to make the amendments to these documents prior to publication and distribution to the creditors.

29. Other than the delays noted in the revised schedule, the Monitor does not believe that the change of dates will have a material effect upon the restructuring efforts of the Petitioners.

RECOMMENDATION

30. For the reasons outlined above, the Monitor recommends to this Honourable Court that the Creditors' Meeting Order be amended to reflect the revised dates contained herein, where applicable, and that the revised dates be approved.

All of which is respectfully submitted.

ERNST & YOUNG INC.
In its capacity as the Court-Appointed
Monitor 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

APPENDIX "D"
PARTNERSHIPS

1. Bowater Canada Finance Limited Partnership
2. Bowater Pulp and Paper Canada Holdings Limited Partnership
3. Abitibi-Consolidated Finance LP