

Kristyn Annis
Direct Line: 416-601-7624



March 4, 2011

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Madame:

Re: Request for amendment to electricity generation licence EG-2003-0204 (the "Licence") (a copy of which is enclosed)

On behalf of AbiBow Canada Inc., ("ABC"), formerly Abitibi Consolidated Company of Canada, ("ACCC") and pursuant to s. 74 of the *Ontario Energy Board Act, 1998*, S.O. c. 15, Sched. B. (the "*OEB Act*"), we hereby submit a request for:

- (i) change of name on the Licence from Abitibi Consolidated Company of Canada to AbiBow Canada Inc.; and
- (ii) an amendment (the "Schedule 1 Amendment") to Schedule 1 – Part B of the Licence to remove ABC as the operator of eight hydro electric generating facilities (the "Facilities")¹ listed in items 2 through 9.

Change of Name

On April 17, 2009 the Superior Court of Quebec issued an order, as subsequently restated and amended from time to time, pursuant to the *Companies' Creditors Arrangement Act* in respect of bankruptcy proceedings related to Abitibi-Consolidated Inc. and subsidiaries thereof, including ACCC. The plan of reorganization and compromise (the "Plan") was approved by the court on September 23, 2010 and implemented by the parties on December 9, 2010. Pursuant to the Plan, the assets and liabilities of ACCC were liquidated into ABC on December 9, 2010, and ABC is now the successor in interest to ACCC. A copy of the certificate issued by the court and evidencing the implementation of the Plan is enclosed at Tab A. Please also see paragraph 41 of the enclosed restructuring transaction notice (referred to as PS 12 in the United States, in which jurisdiction bankruptcy proceedings also took place given the cross border nature of the operations of Abitibi-Consolidated Inc.) enclosed at Tab B, which confirms that the assets of ACCC were liquidated into ABC as of December 9, 2010. In furtherance of the foregoing, we

¹ The Facilities are the following: Iroquois Falls Generating Station, Twin Falls Generating Station, Island Falls Generating Station, Calm Lake Generating Station, Sturgeon Falls Generating Station, Fort Frances Generating Station, Kenora Generating Station, Norman Generating Station.

request that the Board change the name of licensee on the Licence from Abitibi Consolidated Company of Canada to AbiBow Canada Inc.

Schedule 1 Amendment

As indicated above, ABC (formerly ACCC) is currently listed as the operator of the Facilities in the Licence. The owner of the Facilities is ACH Limited Partnership ("ACH"), which currently holds electricity generation licence EG-2006-00124.

As the Board is aware from previous applications made pursuant to the OEB Act and relating to the Facilities, ACH and ABC are currently affiliated. However, the owners of ACH have signed a binding agreement for the sale (the "Sale Transaction") of their interests in ACH and its general partner to Infra H2O GP Partners Inc., Infra H2O LP Partners Inc. and BluEarth Renewables Inc. After the closing of the Sale Transaction ACH will no longer be an affiliate of ABC.

Upon the closing of the Sale Transaction, it is intended that ABC will cease to be the operator of the Facilities and such role will be assumed by ACH. We are therefore writing to apply for the Schedule 1 Amendment, such amendment to be effective the closing day of the Sale Transaction. For certainty, ABC will continue to act as the owner and operator of Westcoast Power Holding Cogen Plant Generating Station, listed as item 1 in Schedule 1 – Part B.

ABC submits the application for the Schedule 1 Amendment jointly with ACH. ABC further requests that the application for both the name change and Schedule 1 Amendment be disposed of without a hearing, and submits this letter as evidence of consent of same. ABC believes that the requests made in this application meet the test set out in s. 21(4)(b) of the *OEB Act* and that no other person will be adversely affected in a material way should the Board decide to issue the amendment.

ABC is requesting that this application be reviewed on a rush basis due to the proximity of the closing date of the Sale Transaction, which is anticipated to be at the latest by the end of March 2011. To the extent that the Board can expedite the review process, ABC would be appreciative.

In the event that the Board considers this application for a name change and Schedule 1 Amendment to be to be in the public interest, as indicated above, ABC is seeking a decision and order from the Board that recognizes that (i) effective retroactively to December 9, 2010, the name of the licensee on the Licence is changed to ABC; and (ii) effective the date of the closing of the Sale Transaction as set forth in a notice received by the Board from ACH that the Sale Transaction has closed, ABC ceases to be operator of the Facilities.

Updated information for Licensee

After the close of the Sale Transaction, Alain Quenneville, Director, Strategy and Development, will be the contact person for ABC:

Bureau 800
1155, rue Metcalfe
Montreal, QC
H3B 5H2

Telephone: 514.394.3656
Facsimile: 514.394.2272
Email: alain.quenneville@abitibowater.com

After the close of the Sale Transaction, ACH's key individuals will be as follows:

- (i) Alain Quenneville, Director Strategy and Development
- (ii) Cara Degelman, Energy Analyst.

Key individual forms for these individuals are enclosed at Tab C.

Kindly let us know if you require anything further in order to consider this application.

Yours very truly,

Signed in the original

McCarthy Tétrault LLP

Per: Kristyn Annis

c: Alain Quenneville, AbiBow Canada Inc.
Jim Gartshore, ACH Limited Partnership

Doc# 10137972

TAB A

CANADA

PROVINCE OF QUEBEC
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)

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 Applicants listed herein

Petitioners

and

ERNST & YOUNG INC.,

Monitor

CERTIFICATE OF THE MONITOR PURSUANT TO THE SECOND
AMENDED AND RESTATED PLAN OF REORGANIZATION AND COMPROMISE OF
ABITIBIBOWATER INC. ET AL., DATED NOVEMBER 1, 2010 (THE "PLAN")

PLAN IMPLEMENTATION

WHEREAS on April 17, 2009, the Superior Court of Québec (the "Court") issued an order (as subsequently restated and amended from time to time the "Initial Order") pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA" and the "CCAA Proceedings") in respect of (i) Abitibi-Consolidated Inc. and subsidiaries thereof¹ (the "Abitibi Petitioners") (ii) Bowater

¹ These subsidiaries are Abitibi-Consolidated Company of Canada, 3224112 Nova Scotia Limited, Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated., 4042140 Canada Inc., Donohue Recycling Inc., 1508756 Ontario Inc., 3217925 Nova Scotia Company, La Tuque Forest Products Inc., Abitibi-Consolidated Nova Scotia Incorporated, Saguenay Forest Products Inc., Terra Nova Explorations Ltd., The Jonquière Pulp Company, The International Bridge and Terminal Company, Scramble Mining Ltd. and 9150-3383 Québec Inc. Abitibi-Consolidated (U.K.) Inc. was added as a CCAA Petitioner on November 10, 2009.

Canadian Holdings Inc. and subsidiaries and affiliates thereof² (the "Bowater Petitioners") and (iii) certain partnerships³ (the "Partnerships");

AND WHEREAS the Abitibi Petitioners and Bowater Petitioners are referred together in this Motion as the "Petitioners" and, without Bowater Canada Finance Corporation ("BCFC"), as the "Applicants";

AND WHEREAS pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor of the Petitioners (the "Monitor");

AND WHEREAS on July 9, 2010, this Court issued an order (as amended, the "Creditors' Meeting Order") pursuant to which a meeting of all classes of creditors of the Petitioners was to be held and convened on September 14, 2010 (the "Creditors' Meeting").

AND WHEREAS at the Creditors' Meeting, the resolution approving the *Plan of Reorganization and Compromise* (as amended, and together with the *Second Amended and Restated Plan of Reorganization and Compromise*, dated November 1, 2010, the "CCAA Plan") was overwhelmingly approved by the Affected Unsecured Creditors (as such term is defined in the CCAA Plan) of the Petitioners, save in except for the Affected Unsecured Creditors of BCFC.

AND WHEREAS on September 23, 2010, this Court issued an order approving the CCAA Plan (the "Sanction Order") in respect of the Applicants;

AND WHEREAS the CCAA Plan provides for the filing with this Court of a certificate of the Monitor confirming that the Implementation Date has occurred;

THE MONITOR HEREBY CONFIRMS that the Implementation Date has occurred and the CCAA Plan has been implemented.

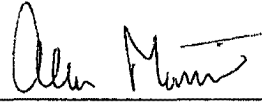
Montreal, December 9, 2010

² These subsidiaries and affiliates are Bowater Canada Finance Corporation, Bowater Canadian Limited, 3231378 Nova Scotia Company, AbitibiBowater Canada Inc., Bowater Canada Treasury Corporation, Bowater Canadian Forest Products Inc., Bowater Shelburne Corporation, Bowater LaHave Corporation, St. Maurice River Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc. and Bowater Couturier Inc.

³ These partnerships are Bowater Canada Finance Limited Partnership, Bowater Pulp and Paper Canada Holdings Limited Partnership and Abitibi-Consolidated Finance LP.

ERNST & YOUNG INC. in its capacity as the monitor for the restructuration proceedings under the CCAA undertaken by AbitibiBowater Inc., Abitibi-Consolidated Inc., Bowater Canadian Holdings Inc. and the other Petitioners listed herein, and not in its personal capacity.

Per:



Name:

Alex Morrison

Title:

Senior Vice President

TAB B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ABITIBIBOWATER INC., *et al.*,¹

Debtors.

)
) Chapter 11
)

) Case No. 09-11296 (KJC)
)

) (Jointly Administered)
)

) Ref. Docket Nos. 2796, 3093, and 3869
)

**NOTICE OF FILING OF AMENDED SUPPLEMENT 12 TO DEBTORS' SECOND
AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that on August 2, 2010, AbitibiBowater Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a "Debtor," and collectively, the "Debtors"), filed the *Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 2796] (the "Plan") and the related *Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 2797].

PLEASE TAKE FURTHER NOTICE that on September 1, 2010, the Debtors filed the *Notice of Filing of Supplements to Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 3093]. Included in the attachments thereto was a copy of *Plan Supplement 12 – Restructuring Transactions* ("Plan Supplement 12").

PLEASE TAKE FURTHER NOTICE that on November 15, 2010, the Debtors filed an amended Plan Supplement 12 [Docket No. 3869] (the "Amended Plan Supplement 12").

PLEASE TAKE FURTHER NOTICE that attached hereto as Exhibit A is a further amended Plan Supplement 12 (the "Further Amended Plan Supplement 12"). The Further Amended Plan Supplement 12 shall be read in conjunction with the Plan and supersedes all prior versions of Plan Supplement 12 in their entirety.

¹ The debtors-in-possession in these cases, along with the last four digits of each Debtor's federal or Canadian tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (6050), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (3225), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (0999), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (8810), Bowater Canadian Forest Products Inc. (2010), Bowater Canadian Holdings Incorporated (6828), Bowater Canadian Limited (7373), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (5722), Bowater Maritimes Inc. (5684), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0186), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). The corporate headquarters of the debtors-in-possession is located at, and the mailing address for each debtor-in-possession is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

Dated: Wilmington, Delaware
December 9, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Sean T. Greecher

Pauline K. Morgan (No. 3650)
Sean T. Greecher (No. 4484)
Andrew L. Magaziner (No. 5426)
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

- and -

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Kelley A. Cornish
Claudia R. Tobler
1285 Avenue of the Americas
New York, New York 10019-6064
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

Counsel for the Debtors and Debtors-in-Possession

Exhibit A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ABITIBIBOWATER INC., *et al.*,

Debtors.

)
) Chapter 11
)
) Case No. 09-11296 (KJC)
) Jointly Administered
)
)

PLAN SUPPLEMENT 12¹

Restructuring Transactions

¹ The Debtors expressly reserve the right, at any time on or prior to the Effective Date, to supplement, modify or amend this Plan Supplement 12. Defined terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**Plan Supplement 12 and
Restructuring Transactions Notice Under the CCAA Plan**

Reference is made to (i) the Debtors' Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (as it may be amended, varied or supplemented from time to time, the "US Plan") and (ii) the CCAA Debtors' plan of reorganization and compromise pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act* ("CBCA") (as such plan may be amended, varied or supplemented from time to time in accordance with its terms and the terms of the creditors' meeting order rendered by the Québec Superior Court of Justice, Commercial Division, in connection with the creditors' meetings, the "CCAA Plan" and, together with the US Plan, the "Plans"). Unless otherwise specified herein, all capitalized terms used herein shall have the meanings ascribed to them in the Plans and all references to "Cdn\$" are to Canadian dollars and to "US\$" are to United States dollars. The term "Inter-company Claim" shall have the meaning ascribed to it in the CCAA Plan.

Section 6.2 of the US Plan provides that the US Debtors and the Reorganized Debtors, as appropriate, shall enter into various corporate reorganization and related transactions. Section 6.2 of the CCAA Plan provides that the CCAA Debtors and the Partnerships shall effect similar restructuring transactions. The transactions contemplated in Section 6.2 of the US Plan and Section 6.2 of the CCAA Plan are known, collectively, as the "Restructuring Transactions".

The Restructuring Transactions generally are intended to simplify the existing corporate and organizational structure and effect a more tax efficient corporate structure for US Debtors, the CCAA Debtors and the Partnerships. They will include, among other things, consolidation of duplicative entities and businesses under applicable U.S. or Canadian law. This Plan Supplement 12 and Restructuring Transactions Notice provides information concerning the details of the Restructuring Transactions.

In accordance with the US Plan, the US Debtors have prepared a summary of each of the corporate mergers under U.S. law, amalgamations under Canadian law, liquidations, dissolutions and other corporate transactions related to the US Debtors that will occur as part of the Restructuring Transactions. That summary has been filed with the U.S. Court as Plan Supplement 3.

In accordance with the CCAA Plan, some of the steps and transactions contemplated in the Restructuring Transactions may only be implemented if provided for in a step confirmation notice which will be posted on the Monitor's Website on or before the CCAA Plan Supplement Filing Date, with notice of such posting forthwith provided to the Service List (as such notice may be thereafter modified, amended, varied or supplemented in accordance with the CCAA Plan, the "Step Confirmation Notice").

Most of the steps and transactions contemplated by the Restructuring Transactions are intended to occur on the Effective Date and the Implementation Date. However, certain steps are intended to occur prior to the Effective Date and the Implementation Date, and it is contemplated that the Reorganized Debtors will effect certain other steps after the Effective Date and the Implementation Date (the steps and transactions set forth at steps 79 to 88 below (collectively, the "Post-implementation Steps")). In accordance with the CCAA Plan, all actions as may be necessary or appropriate to effect the Restructuring Transactions set forth herein (including all such actions set forth below or described in Section 6.2 of the CCAA Plan but excluding any action necessary or appropriate to effect the Post-Implementation Steps) shall be in place and final on the Final Restructuring Transactions Time with the appropriate documents, agreements and funding necessary to implement all such transactions in escrow until their release in the manner and sequence set forth below without any further act or formality. The US Debtors anticipate that the Confirmation Order approving the US Plan will expressly authorize the US Debtors to implement each of the steps and transactions set forth herein and commence the Restructuring Transactions prior to the Effective Date, on the Effective Date or after the Effective Date, as appropriate. Subject to approval of the US Plan and entry of the Confirmation Order, no further action or authority shall be required for the US Debtors to implement any step in connection with the Restructuring Transactions on or before the Effective Date, and no further court authority shall be required for the Reorganized Debtors to implement any Post-Implementation Step.

This notice specifies the proposed timing for each Restructuring Transaction. Except as otherwise specified, the steps outlined herein are intended to occur in a sequential order. Therefore, except as set forth in the Confirmation Order, the Sanction Order or as otherwise noted herein, each Restructuring Transaction shall be conditional upon completion of the Restructuring Transaction set forth in the immediately preceding step.

Notwithstanding the timing of any action taken in respect of a particular Restructuring Transaction, the implementation of the Post-implementation Steps shall not constitute a condition precedent to the Effective Date or the Implementation Date. The Reorganized Debtors and Partnerships will be authorized to take such actions after the Effective Date or the Implementation Date, as applicable. Except with respect to the Post-implementation Steps or as otherwise determined by the US Debtors, the CCAA Debtors and the Partnerships in consultation with the Creditors Committee and with the approval of the Monitor, all actions as may be necessary or appropriate to effect the Restructuring Transactions as set forth herein shall be in place and final on the Effective Date and the Implementation Date, with the appropriate documents, agreements and funding necessary to implement all such transactions in escrow until their release in the manner and sequence set forth below.

The structure of each Restructuring Transaction and, where applicable, the form of documentation concerning such transaction shall be determined by the US Debtors, the CCAA Debtors, the Partnerships and their successors party to such Restructuring Transaction, in consultation with the Creditors Committee and with the approval of the Monitor, provided, however, that the US Debtors, the CCAA Debtors and the Partnerships reserve the right to

undertake transactions in lieu of or in addition to the Restructuring Transactions set forth herein as they deem necessary or appropriate under the circumstances in consultation with the Creditors Committee and as approved by the Monitor.

Several of the steps outlined below concern CCAA Debtors² and their subsidiaries and affiliates that are organized under Canadian law. As such, the Restructuring Transactions related to such entities will occur under the appropriate Canadian law. Prior to each liquidation under Canadian law described herein, the entity being liquidated shall take the necessary steps to cancel any shares that may be issued and outstanding and held by any person or entity other than the entity or entities into which it is liquidated (the "Parent Entity"). Each liquidation under Canadian law described herein shall result in all of the property of each liquidating entity (except amounts receivable from the Parent Entity) being assigned, conveyed and transferred to the Parent Entity and the Parent Entity becoming liable for the full amount of all of the liabilities of such liquidating entity (except amounts payable to the Parent Entity) to the complete release, discharge and exoneration of such liquidating entity and such, without novation of the obligations and, as soon as practicable following each liquidation under Canadian law, the liquidating entity shall be dissolved. Each amalgamation under Canadian law described herein shall result in all of the property of each amalgamating corporation (except amounts receivable from any predecessor corporation or shares in the capital of any predecessor corporation) becoming the property of the amalgamated corporation by virtue of the amalgamation and the amalgamated corporation becoming liable for the full amount of all of the liabilities (except amounts payable to any predecessor corporation) of each amalgamating corporation by virtue of the amalgamation and such, without novation, i.e., cancellation, of the obligations and all of the shareholders (except any predecessor corporation) who own shares of the capital of any predecessor corporation immediately before the amalgamation, receiving shares in the capital of the new corporation because of the amalgamation.

- I. Steps which will be deemed to have occurred as of the Petition Date pursuant to Section 18-806 of the Delaware Limited Liability Company Act (the "DLLCA") (in no particular sequence)
 1. The Board of Directors of AbitibiBowater Inc. ("ABH"), as the last remaining member of AbitibiBowater US Holding LLC ("ABH LLC"), as Personal Representative (within the meaning of the DLLCA) of ABH, is deemed to have: (i) revoked any dissolution of ABH LLC that may be deemed to otherwise have resulted from ABH's Chapter 11 filing; (ii) consented to the continuation of ABH LLC, effective as of the Petition Date; and (iii) designated ABH as a member of ABH LLC, effective as of the Petition Date.
 2. The Board of Directors of Bowater Incorporated ("Bowater"), as the last remaining member of Rich Timber Holdings LLC ("Rich Timber LLC"), is deemed to have: (i) revoked any dissolution of Rich Timber LLC that may be deemed to otherwise have

² The CCAA Debtors may also be referred to herein as the "Applicants," the defined term in the CCAA Plan for the CCAA Debtors.

resulted from Bowater's Chapter 11 filing; (ii) consented to the continuation of Rich Timber LLC, effective as of the Petition Date; and (iii) designated Bowater as a member of Rich Timber LLC, effective as of the Petition Date.

3. The Board of Directors of Abitibi-Consolidated Corp. ("ACC"), as the last remaining member of Augusta Woodlands LLC ("Augusta LLC"), as Personal Representative (within the meaning of the DLLCA) of ACC, is deemed to have: (i) revoked any dissolution of Augusta LLC that may be deemed to otherwise have resulted from ACC's Chapter 11 filing; (ii) consented to the continuation of Augusta LLC, effective as of the Petition Date; and (iii) designated ACC as a member of Augusta LLC, effective as of the Petition Date.

II. Steps which shall occur after the entry of the Confirmation Order and/or the Sanction Order but prior to Step 18 and the Effective Date and the Implementation Date (in no particular sequence)

4. Pursuant to s. 37 of the CBCA, ABH LLC surrenders its shares in 4513541 Canada Inc. ("451") by way of gift to 451 for nil consideration, which shares are then automatically cancelled pursuant to the CBCA.
5. Each of Abitibi-Consolidated Canadian Office Products Holdings Inc. ("Office Products"), 6169678 Canada Inc. ("616"), Abitibi-Consolidated (U.K.) Inc. ("ACI UK") and Alliance Forest Products (2001) Inc. ("Alliance"), which are currently CBCA corporations, and each of 1508756 Ontario Inc. ("150") and Donohue Recycling Inc. ("Recycling"), which are currently incorporated under the *Business Corporations Act* (Ontario) and Bowater Canadian Forest Products Inc. ("BCFPI"), which is currently incorporated under the *Nova Scotia Companies Act* is continued under the *Business Corporations Act* (British Columbia) ("BCBCA") and each of Alliance, 150 and Recycling is then converted into an unlimited liability company under the BCBCA.
6. The paid-up capital of each class of shares in the capital of each of Recycling and Alliance is reduced to Cdn\$100 for no payment.
7. The paid-up capital of each class of shares in the capital of each of Abitibi-Consolidated Nova Scotia Incorporated ("ACNSI") and Bowater Canada Treasury Corporation ("BCTC") is reduced to Cdn\$100 for no payment.
8. The paid-up capital of each class of shares in the capital of Bowater Maritimes Inc. ("Maritimes") is reduced to Cdn\$100 for no payment.
9. The paid-up capital of each class of shares in the capital of each of Abitibi-Consolidated Company of Canada ("ACCC"), Terra Nova Explorations Ltd. ("Terra Nova") and Produits Forestiers Saguenay Inc. ("PFS") is reduced to Cdn\$100 for no payment.

10. Each of 9150-3383 Québec Inc., Bowater Mitis Inc., Bowater Guérette Inc., Bowater Couturier Inc., 4042140 Canada Inc., Produits Forestiers La Tuque Inc. and 3217925 Nova Scotia Company is dissolved.
11. Marketing Donohue Inc. ("MDI") is continued under Part I-A of the *Companies Act* (Quebec) ("QCA") and its by-laws are amended to remove the requirement for directors of MDI to hold shares and the shares held by directors or former directors are cancelled for nil consideration.
12. Resignation of the directors of The Jonquière Pulp Company ("TJPC") and simultaneous transfer to Abitibi-Consolidated Inc. ("ACI") of the shares held by directors or former directors, for nil consideration. Each Inter-company Claim owing to TJPC is transferred to ACI without novation for nil consideration.
13. The shares held by directors or former directors of St. Maurice River Drive Company ("St. Maurice") are cancelled for nil consideration.
14. Preferred shares of ACCC held by 3834328 Canada Inc. ("383") are cancelled for nil consideration.
15. Effective at 12pm (EST) on the day immediately prior to the Effective Date and Implementation Date, Bowater Shelburne Corporation ("Shelburne") is liquidated into Bowater Canada Finance Limited Partnership ("BCFLP").
16. Effective on the day immediately prior to the Effective Date and Implementation Date, each of Office Products, 616, BCFPI and ACI UK is converted into an unlimited liability company under the BCBCA.
17. Effective on the day immediately prior to the Effective Date and Implementation Date, ACI is continued as a limited liability company under the BCBCA.
- III. Steps which shall occur sequentially, unless otherwise indicated, starting at the first moment of the day on the Effective Date and the Implementation Date**
18. Effective at any time prior to step 43 on the Effective Date and Implementation Date, ABH files its amended and restated Certificate of Incorporation.
19. Effective at the first moment of the day on the Effective Date and Implementation Date, Shelburne is dissolved.
20. Intentionally deleted.
21. Each Inter-company Claim owing by BCFLP is cancelled.
22. The Inter-company Claim owing to Bowater Canadian Holdings Incorporated ("BCHI") from BCFPI is cancelled.

23. The Inter-company Claim owing to BCHI from Bowater Korea Ltd. and any remaining assets of BCHI (other than its shares in the capital of AbitibiBowater Canada Inc. ("ABCI"), BCFPI and BCTC and other than receivables from BCTC) are transferred to Bowater Pulp and Paper Canada Holdings LP ("BPPCHLP") as a partial repayment of the Inter-company Claim owing by BCHI to BPPCHLP.
24. The Inter-company Claim balance remaining after step 23 owing by BCHI to BPPCHLP is cancelled.
25. The Inter-company Claim owing by BCFPI to BPPCHLP is transferred to ABH without novation for nil consideration.
26. Bowater Ventures Inc. is merged into Bowater, the survivor being Bowater, and BPPCHLP is liquidated into Bowater. As a result of such liquidation, each Inter-company Claim owing to BPPCHLP is transferred to Bowater without novation.
27. 3231378 Nova Scotia Company is liquidated into Bowater.
28. BCFPI transfers the shares it holds in the capital of each of Bowater Belledune Sawmill Inc. ("Belledune"), Canoxel Hardboard Inc. ("Canoxel"), 9068-9050 Québec Inc. ("9068") and Bowater Treated Wood Inc. ("Treated Wood") to 451 for nil consideration, a promissory note or such other consideration to be determined by the Applicants. Immediately prior to each such transfer, each Inter-company Claim owing to each of Belledune, Canoxel, 9068 and Treated Wood by any Applicant or Partnership or U.S. Debtor, if any, is transferred to ACI without novation for nil consideration.
29. ACI transfers the shares it holds in the capital of each of MDI, 3224112 Nova Scotia Limited ("322") and 383 to 451 for nil consideration, a promissory note or such other consideration to be determined by the Applicants. Immediately prior to each such transfer, each Inter-company Claim owing to MDI, 322 and 383 by any Applicant or Partnership or U.S. Debtor, if any, is transferred to ACI without novation for nil consideration.
30. ACCC transfers the shares it holds in the capital of Scramble Mining Ltd. ("Scramble") to 451 for nil consideration, a promissory note or such other consideration to be determined by the Applicants. Immediately prior to each such transfer, each Inter-company Claim owing to Scramble by any Applicant or Partnership or U.S. Debtor, if any, is transferred to ACI without novation for nil consideration.
31. Each of ACCC and BCFPI transfers the shares they hold in the capital of St. Maurice to 451 for nil consideration, a promissory note or such other consideration to be determined by the Applicants. Immediately prior to each such transfer, each Inter-company Claim owing to St. Maurice by any Applicant or Partnership or U.S. Debtor, if any, is transferred to ACI without novation for nil consideration.

32. ACCC transfers the shares it holds in the capital of 150 to ACI for nil consideration.
33. BCFLP is liquidated into BCFPI and BCTC based on their respective ownership interest in BCFLP in accordance with the terms of the BCFLP partnership agreement.
34. BCTC is liquidated into BCHI.
35. Each of Bowater and BCHI transfers their shares in the capital of BCFPI to ABCI for nil consideration.
36. As part of a plan of reorganization under section 191 CBCA, all Exchangeable Shares in the capital of ABCI are exchanged for redeemable shares ("New Redeemable Shares") on a one for one basis and such New Redeemable Shares are redeemed by ABCI for nil consideration. Concurrently, all ancillary documents in connection with the Exchangeable Shares or which relate thereto, including the amended and restated support agreement among ABH, BCHI, ABCI and Bowater and the amended and restated voting and exchange trust agreement among ABH, ABCI, Bowater and Computershare Trust Company of Canada (or any successor trustee) are cancelled and terminated.
37. Each of Office Products, 616, BCFPI, ACI UK and 150 is amalgamated into ACI, with the amalgamated entity being a limited liability company under the BCBCA ("New ACI"). As part of the amalgamation, ABCI receives one hundred (100) voting shares (with no dividend or liquidation entitlement) of New ACI in exchange for its shares in the capital stock of each of ACI and BCFPI, and ABH receives one (1) non-voting common share of New ACI ("Non-Voting Common Share") in exchange for its shares in the capital stock of ACI.
38. BCHI transfers the shares it holds in the capital of ABCI to Bowater Canadian Limited ("BCL") for nil consideration.
39. The Inter-company Claim owing to Bowater from New ACI (consisting of an interest-bearing loan) is cancelled.
40. TJPC is liquidated into ACCC and New ACI.
41. ACCC is liquidated into New ACI.
42. Each of Alliance, Terra Nova, PFS and Maritimes is liquidated into New ACI.
43. Reorganized ABH makes a contribution, by way of equity or advance, to the applicable U.S. Debtors (other than Cross-border Debtors) and subscribes for Non-Voting Common Shares of New ACI and common shares of applicable Cross-border Debtors, in each case in consideration for an undertaking by Reorganized ABH to issue and deliver (i) shares of New ABH Common Stock, and/or (ii) cash, as set forth in step 45.

For greater certainty, the Non-Voting Common Shares issued to Reorganized ABH pursuant to this step shall, after giving effect to the cancellation as set forth in step 46, represent 100% of the issued and outstanding Non-Voting Common Shares in the capital of New ACI.

44. Concurrently with step 43, New ACI makes an advance to or subscribes for common shares of The International Bridge and Terminal Company, Recycling and ACNSI in consideration for an undertaking to deliver, or to cause to be delivered by Reorganized ABH, (i) shares of New ABH Common Stock, and/or (ii) cash, as set forth in step 45.

IV. Steps which shall occur concurrently (unless otherwise indicated or required) after step 44 on the Effective Date and the Implementation Date

45. Affected Claims, Unsecured Claims and Allowed Convenience Claims are settled, compromised and released for (i) shares of New ABH Common Stock, or (ii) cash, as the case may be, in each case issued and delivered in the proportions and the manner provided for in the CCAA Plan and the U.S. Plan.
46. The one (1) Non-Voting Common Share issued to ABH pursuant to the amalgamation in step 37 is cancelled for nil consideration.
47. ABH's existing shares of common stock and special voting stock (other than shares of New ABH Common Stock issued pursuant to the CCAA Plan and U.S. Plan) are cancelled for nil consideration and the terms of the LTIP take effect and are deemed approved.
48. ABI Escrow Corporation is merged into Reorganized ABH, the survivor being Reorganized ABH, and the cash (and accrued interest thereon) that was held in the escrow account established by ABI Escrow Corporation is released to or as directed by Reorganized ABH.
49. After completion of step 48, Reorganized ABH transfers cash by way of (i) an equity contribution, a subscription or loan to U.S. Debtors and New ACI, (ii) a direct or indirect repayment of some or all cross-border Inter-company Claims owing to New ACI and/or (iii) a direct or indirect repayment of some or all Inter-company Claims owing to U.S. Debtors (other than Cross-border Debtors) in each case to allow U.S. Debtors and New ACI to make all cash distributions required to be made on the Effective Date and the Implementation Date (including amounts required to purchase the receivables set forth in step 53).
50. After completion of step 49, Bowater subscribes for common shares of BCL for cash.
51. After completion of step 50, BCL subscribes for common shares of ABCI for cash.

52. After completion of step 51, ABCI subscribes for voting preferred shares of New ACI for cash to allow New ACI, together with the cash received from Reorganized ABH pursuant to step 49, to make all cash distributions required to be made by it on the Effective Date and the Implementation Date.
53. New ACI purchases for cash the receivables that it previously sold to Abitibi-Consolidated U.S. Funding Corp. ("ACUSFC") for an amount equal to the fair market value of such receivables, which receivables shall be delivered by ACUSFC to New ACI as set forth in step 54.
54. ACUSFC purchases for cash all of the banks' interest in the receivables under the Second Amended and Restated Receivables Purchase Agreement dated as of June 16, 2009 among, inter alia ACUSFC, as seller, and Citibank N.A. and Barclays PLC and other institutions (the "RPA") which receivables are to be delivered to each of New ACI or Abitibi Consolidated Sales Corporation ("ACSC"), as the case may be, pursuant to step 53 and step 55, respectively.
55. ACUSFC distributes to ACSC the receivables previously transferred by ACSC to ACUSFC, and transfers some or all of its cash on hand to New ACI, on behalf of ACSC, in repayment of certain Inter-company Claims owing from ACSC to New ACI.
56. Concurrently with step 54, Reorganized ABH and New ACI, as the case may be, borrow funds under the Exit Loan Facilities.
57. After completion of step 45, 3239432 Nova Scotia Company ("ULC") effects a return of capital in the amount of approximately Cdn\$202.3 million plus accrued interest, if any (the "Return of Capital") to its sole shareholder, New ACI, to be paid as follows: (i) approximately \$130 million plus accrued interest, if any, by way of set-off against the outstanding Loan (as defined under the ULC DIP Facility Documents) and (ii) approximately Cdn\$72.3 million plus accrued interest, if any, by way of cash distribution to be paid pursuant to step 58 below.
58. Further to the ULC DIP Facility Documents and the implementation agreement dated as of September 3, 2009 made among ACI, ACCC, Alcoa Canada Ltée, Alcoa Ltd and Manicouagan Power Company and to which intervened HQ Énergie Inc. (the "Implementation Agreement"), ULC irrevocably directs New ACI not to repay the Loans (as defined under the ULC DIP Facility Documents) advanced under the ULC DIP Facility Documents to ULC but rather to retain the amount of such Loans as a partial payment of the Return of Capital (which is permissible given the partial release of the asset retention undertaking provided for in Section 2.5.1(a) of the Implementation Agreement (the "Section 2.5.1(a) Reserve")).
59. After completion of step 58, the ULC DIP Claims shall be deemed to have been fully paid in accordance with the CCAA Plan and all liens, charges, security interests or

encumbrances of any kind granted in favor of ULC in connection with the ULC DIP Facility Documents shall be cancelled.

60. Further to the Sanction Order, the Monitor distributes the undrawn amounts under the ULC DIP Facility Documents, which amounts were transferred to the Monitor at the request of ACI in accordance with the Order of the Court dated November 23, 2009 on the Re-amended Motion for the Approval of a Second DIP Financing and for Distribution of Certain Proceeds of the MPCo Sale Transaction to the Trustee for the Senior Secured Notes, to each of New ACI and ULC, in the amounts of approximately Cdn\$72.3 million plus accrued interest, if any, and approximately Cdn\$27.7 million plus accrued interest, if any, respectively, the whole in accordance with the Sanction Order. The Section 2.5.1(a) Reserve shall be deemed to have been fully released on the successful completion of the Restructuring (as defined in the Implementation Agreement) in accordance with the Implementation Agreement and at such time, ULC shall be vested with the amounts required to be retained pursuant to the asset retention undertaking provided in Section 2.5.1(b) of the Implementation Agreement (the "Retained Amount").
61. Further to the escrow agreement dated as of December 9, 2009 among Alcoa Ltd. (the "Agent"), ULC and the Monitor and to which intervened ACCC, ACI and US Bank National Association (the "Escrow Agreement"), the Agent and ULC send a notice of joint disbursement instruction instructing the Monitor to distribute the Escrow Funds (as defined in the Escrow Agreement) in the amounts set forth in such notice to ULC. ULC shall transfer such amounts, together with the Retained Amount, to a bank account or to a brokerage account which shall be subject to a control agreement and such amounts shall remain subject to the Liens required by Section 2.5.2 of the Implementation Agreement.
- V. Steps which shall occur sequentially, unless otherwise indicated, after step 61 on the Effective Date and the Implementation Date (steps 68 to 73 occurring at any time after step 61 but steps 69 to 72, as amongst themselves, occurring in no particular order)
62. Intentionally deleted.
63. New ACI transfers the shares it holds in the share capital of Recycling to Abitibi-Consolidated Finance LP ("ACFLP") for an increased interest in ACFLP.
64. ACFLP transfers all of its assets and liabilities to Recycling in exchange for shares with a paid up capital of Cdn\$100 in the capital of Recycling.
65. ACFLP is liquidated into New ACI and ACNSI where each receive shares in the capital of Recycling based on their respective percentage of ownership in ACFLP.
66. ACNSI is liquidated into New ACI.

67. Recycling is liquidated into New ACI.
68. Coosa Pines Golf Club Holdings LLC is merged into Bowater Alabama LLC, the survivor being Bowater Alabama LLC.
69. Bowater Finance II, LLC is liquidated and dissolved into each of Bowater Alabama LLC and Bowater Newsprint South Operations LLC.
70. Each of Catawba Property Holdings LLC, Bowater Finance Company Inc., Bowater Nuway Inc., Rich Timber LLC, Timber Note Holdings LLC, Bowater Timber A, LLC, Bowater Timber B, LLC, Bowater Timber C, LLC, Bowater Timber D, LLC, Bowater Timber E, LLC, Bowater Timber F, LLC, Bowater Timber G, LLC is merged into Bowater, the survivor being Bowater.
71. Each of ABH LLC, ABH Holding Company LLC ("LLC Holdco"), AbitibiBowater US Holding 1 Corp. and ABH LLC 1 is merged into Reorganized ABH, the survivor being Reorganized ABH. The Support Agreement among LLC Holdco, ABH LLC 1 and ACCC shall be deemed satisfied and of no further force and effect.
72. Augusta LLC is merged into ACC, the survivor being ACC.
73. Bowater amends its certificate of incorporation to (i) change its name to AbiBow US Inc., (ii) increase its authorized share capital in order to authorize the issuance of additional common shares and (iii) add the language required by Section 1123(a)(6) of title 11 of the U.S. Bankruptcy Code. Other U.S. Debtors also amend their certificates of incorporation, where required, to add the language required by Section 1123(a)(6) of title 11 of the U.S. Bankruptcy Code.
74. At any time after step 67, the Inter-company Claim transferred in step 25 owing to Reorganized ABH from New ACI is cancelled for nil consideration.
75. The Inter-company Claims, if any, owing from New ACI to each of Donohue Corp. ("D-Corp"), ACSC, ACC, Abitibi-Consolidated Alabama Corporation ("ACAC") and Alabama River Newsprint Company ("ARNC") resulting from the settlement in step 45 of Unsecured Claims under the 15.50% Senior Note Guaranty are transferred, without novation, by each such U.S. Debtor to Reorganized ABH in repayment of advances owing by them from step 43.
76. The Inter-company Claims transferred to Reorganized ABH in step 75 are converted into Non-Voting Common Shares of New ACI.
77. Any portion of Inter-company Claims owing between the same debtor and creditor are settled by offset.

78. The Final Restructuring Transactions Time shall be deemed to have occurred on the occurrence of step 77.
- VI. **Post-Implementation steps which shall occur sequentially, unless otherwise indicated, after the Final Restructuring Transactions Time.**
79. On the day following the Implementation Date and the Effective Date, New ACI is continued under the CBCA and its name is changed to AbiBow Canada Inc.
80. On the day following the Implementation Date and the Effective Date, ACUSFC is merged into ACSC, the survivor being ACSC.
81. Bowater America Inc. is merged into AbiBow US Inc., the survivor being AbiBow US Inc., effective on December 31, 2010.
82. Any portion of Inter-company Claims owing between the same debtor and creditor are settled by offset, effective on December 31, 2010.
83. Each of Bowater Alabama LLC and Bowater Newsprint South Operations LLC is merged into AbiBow US Inc., the survivor being AbiBow US Inc., and AbiBow US Inc. issues shares of its capital stock to Bowater Newsprint South LLC, effective on December 31, 2010.
84. In accordance with the Private Letter Ruling from the Internal Revenue Service issued on October 15, 2010 (the "PLR"), effective on December 31, 2010:
- (A) D-Corp contributes intercompany obligations of ACSC and ACC, respectively, to the capital of ACSC and ACC.
- (B) D-Corp transfers all of the shares of ACSC and ACC to Reorganized ABH in exchange for shares of Reorganized ABH.
- (C) Each of ACSC and ACC converts to a limited liability company under Delaware law and their names are changed, respectively, to Abitibi Consolidated Sales LLC and AbiBow Recycling LLC.
85. In accordance with the PLR, ACSC contributes intercompany obligations of ACAC to the capital of ACAC, effective on December 31, 2010.
86. Certain employees of ARNC are transferred to AbiBow US Inc., effective on January 1, 2011.
87. Effective on January 3, 2011 and in accordance with the PLR, ACAC merges into AbiBow US Inc., the survivor being AbiBow US Inc.

88. Effective on January 3, 2011, ACSC contributes its 1% interest in ARNC to AbiBow US Inc. and ARNC is liquidated into AbiBow US Inc.
89. ULC files a certificate by an officer of ULC with the Registrar of Joint Stock Companies (Nova Scotia) certifying that the Successful Completion of the Restructuring (as defined in the memorandum of association of ULC) has occurred.