

No. S120712
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44**

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF CATALYST PAPER CORPORATION
AND THE PETITIONERS LISTED IN SCHEDULE "A"**

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MR. JUSTICE SEWELL) 8/March/2012
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 8th day of March, 2012; AND ON HEARING, Bill Kaplan, Q.C., Peter Rubin, and Anthony Purgas, counsel for the Petitioners, John Grieve and Kibben Jackson, counsel for the Monitor PricewaterhouseCoopers Inc., and those other counsel listed in **Schedule "B"** hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

DIRECTORS' AND OFFICERS' CHARGE

1. Paragraph 29 of the Amended and Restated Initial Order of the Court dated February 3, 2012 (the "Amended and Restated Initial Order") shall be deleted in its entirety and replaced with the following:

29. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Charged Property (defined below), which charge shall not exceed the aggregate amount of \$28,600,000, as security for the indemnity provided in paragraph 28 of this Order. The D&O Charge shall have the priority set out in paragraphs 51, 52, 54 and 55 herein.

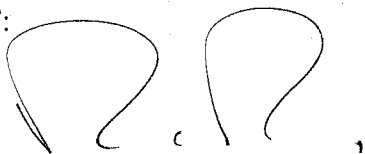
TRUSTEE'S FEES

2. Wilmington Trust, National Association (formerly Wilmington Trust FSB) in its capacity as Trustee under the Indentures dated as of March 10, 2010 and May 19, 2010 will be considered an "Assistant" pursuant to paragraph 8(c) of the Amended and Restated Initial Order.

APPROVAL

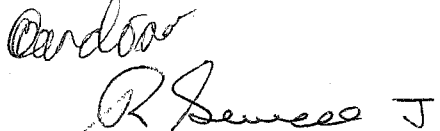
3. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of
 party lawyer for the Petitioner Parties
Bill Kaplan, Q.C. / Peter Rubin

BY THE COURT.



Registrar

Schedule "A"

LIST OF ADDITIONAL PETITIONERS

Catalyst Pulp Operations Limited
Catalyst Pulp Sales Inc.
Pacifica Poplars Ltd.
Catalyst Pulp and Paper Sales Inc.
Elk Falls Pulp and Paper Limited
Catalyst Paper Energy Holdings Inc.
0606890 B.C. Ltd.
Catalyst Paper Recycling Inc.
Catalyst Paper (Snowflake) Inc.
Catalyst Paper Holdings Inc.
Pacifica Papers U.S. Inc.
Pacifica Poplars Inc.
Pacifica Papers Sales Inc.
Catalyst Paper (USA) Inc.
The Apache Railway Company

Schedule "B"

Name of Counsel	Party
Peter Reardon	JPMorgan Chase Bank, N.A.
David Gruber Melaney Wagner	A Representative Group of 2014 Unsecured Noteholders and certain 2016 Noteholders
John Sandrelli Shayne Kukulowicz (by telephone)	A Representative Group of 2016 Noteholders
Stefanie Quelch	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 2688
Vasuda Sinha (by telephone)	Wells Fargo Bank NA
Benjamin La Borie George Benchetrit (by telephone)	Wilmington Trust, National Association
David McKinnon (by telephone)	Ad Hoc Committee of 2014 Noteholders
Ari Kaplan Michael Prokosh	Catalyst Salaried Employees & Pensioner Committee
Randal Kaardal	Catalyst TimberWest Retired Salaried Employees Association
Don Bobert	CEP Unions – Locals 1, 76 (Powell River), 592, 686 (Port Alberni), 1132 (Crofton), 630, 1123 (Campbell River)
Charles Gordon	PPWC Local 2
Sandra Wilkinson	Superintendent of Pensions
Kathryn Esaw (by telephone)	Canexus Corp and Casco Inc.
Heather Ferris	Board of Directors of Catalyst
Mary Buttery	Powell River Energy Inc., Quadrant Investments Ltd. and TimberWest Forest Corp.
Kevin McElcheran (by telephone)	Perella Weinberg Partners LP

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