

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

	X	
In re	:	Chapter 15
	:	
CATALYST PAPER CORP., <i>et al.</i> ,	:	Case No. 12-10221 (PJW)
	:	
Debtors. <sup>1</sup>	:	Jointly Administered
	:	
	:	Hearing Date: March 5, 2012 at 9:30 a.m. (ET)
	:	Objection Deadline: February 29, 2012 at 12:00 a.m. (ET) <sup>2</sup>
	X	

**2016 NOTEHOLDER GROUP'S RESPONSE TO THE DEBTORS' AMENDED MOTION  
FOR PROVISIONAL AND FINAL RELIEF FOR RECOGNITION OF A FOREIGN  
PROCEEDING PURSUANT TO 11 U.S.C. §§ 105(a), 1517, 1519, 1520, AND 1521**

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The informal group of 2016 noteholders (collectively, the “2016 Noteholder Group”), by and through its undersigned counsel, hereby submits this response (the “Response”) to the *Debtors' Amended Motion for Provisional and Final Relief for Recognition of a Foreign Proceeding Pursuant to 11 U.S.C. §§ 105(a), 1517, 1519, 1520, and 1521* [Docket No. 38] (the “Foreign Recognition Motion”).

**RESPONSE<sup>3</sup>**

1. The 2016 Noteholder Group does not object to the relief requested in the Foreign Recognition Motion. The 2016 Noteholder Group, however, submits this Response to ensure

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<sup>1</sup> The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvi) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the “U.S. Debtors”). The Debtors’ executive headquarters’ addresses are 2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

<sup>2</sup> Extended by agreement with the Debtors.

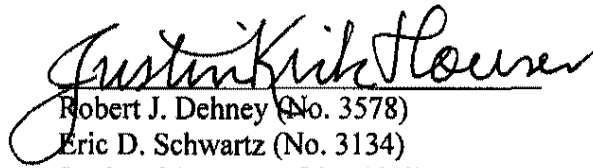
<sup>3</sup> Capitalized terms used but not otherwise defined in this Response shall have the meanings ascribed to such terms in the Foreign Recognition Motion.

that its rights to seek adequate protection, as set forth in this Court's *Order for Provisional Relief Enforcing Canadian Court Order in Connection with Debtor in Possession Financing* [Docket No. 60], are fully preserved and are in no way adversely affected or impaired by any order of this Court.

2. The 2016 Noteholder Group has been and continues to be engaged in good-faith discussions with the Debtors with respect to adequate protection. The 2016 Noteholder Group and the Debtors will endeavor to negotiate appropriate adequate protection language for inclusion in the order approving the Foreign Recognition Motion prior to the hearing scheduled for Monday, March 5, 2012 (the "Foreign Recognition Hearing"). If, however, the parties are unsuccessful in consensually resolving the adequate protection issues, the 2016 Noteholder Group reserves its rights to raise any and all arguments related to adequate protection at the Foreign Recognition Hearing.

Dated: February 28, 2012  
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP



Robert J. Dehney (No. 3578)

Eric D. Schwartz (No. 3134)

Justin Kirk Houser (No. 5618)

1201 N. Market Street, 18th Floor

P.O. Box 1347

Wilmington, Delaware 19899-1347

Telephone: (302) 658-9200

Facsimile: (302) 658-3989

Email: rdehney@mnat.com

eschwartz@mnat.com

jhouser@mnat.com

-and-

Michael S. Stamer

Meredith A. Lahaie

Kristine G. Manoukian

AKIN GUMP STRAUSS HAUER & FELD LLP

One Bryant Park

New York, New York 10036

Telephone: (212) 872-1000

Facsimile: (212) 872-1002

Email: mstamer@akingump.com

mlahaie@akingump.com

kmanoukian@akingump.com

*Counsel for the 2016 Noteholder Group*

**CERTIFICATE OF SERVICE**

I, Justin Kirk Houser, certify that I am not less than 18 years of age, and that service of the foregoing **2016 Noteholder Group's Response To The Debtors' Amended Motion For Provisional And Final Relief For Recognition Of A Foreign Proceeding Pursuant to 11 U.S.C. §§ 105(a), 1517, 1519, 1520, And 1521** was caused to be made on February 28, 2012, in the manner indicated upon the entities identified below.

Date: February 28, 2012

/s/ Justin Kirk Houser  
Justin Kirk Houser (No. 5618)

**VIA EMAIL AND HAND DELIVERY**

Office of the United States Trustee  
David Buchbinder  
(david.l.buchbinder@usdoj.gov)  
844 King St., Suite 2207  
Lockbox 35  
Wilmington, DE 19801

**VIA FIRST CLASS USPS**

PricewaterhouseCoopers  
250 Howe St., Suite 700  
Vancouver, BC V6C 3S7  
CANADA

Annaliese Fisher  
JPMorgan Chase Bank, N.A.  
3 Park Plaza, Suite 900  
Irvine, CA 92614

Agostino Marchetti  
JPMorgan Chase Bank, N.A.  
200 Bay Street, Suite 1800  
Toronto, ON M5J 2J2  
CANADA

**VIA EMAIL AND FIRST CLASS USPS**

Skadden, Arps, Slate, Meagher & Flom LLP  
Van C. Durrer, II (van.durrer@skadden.com)  
300 South Grand Ave.; Suite 3400  
Los Angeles, CA 90071

Blake, Cassels & Graydon LLP  
William C. Kaplan (bill.kaplan@blakes.com)  
595 Burrard Street, Suite 2600  
PO Box 49314  
Vancouver, BC V7X 1L3  
CANADA

Goodmans LLP  
Robert Chadwick (rchadwick@goodmans.ca)  
Melaney Wagner (mwagner@goodmans.ca)  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M3H 2S7  
CANADA

McMillan LLP  
Jeffrey Rogers (jeff.rogers@mcmillan.ca)  
181 Bay Street, Suite 4400  
Toronto, ON M5J 2T3  
CANADA

Fasken Martineau DeMoulin LLP  
John Grieve (jgrieve@fasken.com)  
Kibben Jackson (kjackson@fasken.com)  
2900-550 Burrard Street  
Vancouver, BC V6C 0A3  
CANADA