

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

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~~MEETINGS ORDER~~

BEFORE THE HONOURABLE
MR. JUSTICE SEWELL

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March 22, 2012

ON THE APPLICATION of the Petitioner Parties coming on for hearing at Vancouver, British Columbia, on the 21st day of March, 2012; AND ON HEARING, Bill Kaplan, Q.C., Peter Rubin and Andrew Crabtree, counsel for the Petitioner Parties, John Grieve and Kibben Jackson, counsel for the Monitor, PricewaterhouseCoopers Inc. (the "**Monitor**"), and those other counsel listed in **Schedule "B"** hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of the Notice of Application herein be and is hereby abridged and that the Notice of Application is properly returnable today and service thereof upon any person other than those on the Service List be and is hereby dispensed with.

DEFINITIONS

2. Any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012, attached as **Schedule "C"** to this Order (as it may be amended, restated or supplemented from time to time in accordance with its terms, the **"Plan"**). **"Petitioners"** means, collectively, Catalyst and the other entities listed in **Schedule "A"** to this Order. **"Petitioner Parties"** means, collectively, the Petitioners and Catalyst Paper General Partnership.

PLAN OF COMPROMISE AND ARRANGEMENT

3. The Plan is hereby accepted for filing and the Petitioner Parties are hereby authorized to present the Plan to the Creditors for their consideration in accordance with the terms of this Order and to seek approval of the Plan by the Creditors holding an Allowed Claim or a Disputed Claim (each an **"Eligible Voting Creditor"**) at the Meetings in the manner set forth herein.

4. With the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, and, to the extent that any variation, amendment, modification or supplement to the Plan deals with the ABL Facility or the DIP Credit Agreement, the consent of JPMorgan Chase Bank, N.A. or the DIP Lenders, as applicable, and, to the extent that any variation, amendment, modification or supplement to the Plan is materially inconsistent with the Restructuring and Support Agreement, the consent of the Initial Supporting Unsecured Noteholders, the Petitioner Parties are hereby authorized to vary, amend, modify or supplement the Plan, in accordance with its terms by way of a supplementary or amended and restated plan or plans of compromise and arrangement (an **"Amended Plan"**) at any time and from time to time:

- (a) prior to the Meetings, provided that the Petitioner Parties or the Monitor, as applicable, (i) obtain the prior consent of the Monitor, (ii) file the Amended Plan with the Court, (iii) serve the Amended Plan on the Service List, (iv) provide reasonable notice of the Amended Plan to Convenience Share Election Creditors and Cash Election Creditors, (v) provide reasonable notice of the Amended Plan to Eligible Voting Creditors that have filed proxies with the Monitor, to the extent that such Eligible Voting Creditors are not on the Service List, and (vi) post the Amended Plan on the Monitor's website at www.pwc.com/car-catalystpaper (the "**Monitor's Website**");
- (b) during a Meeting, provided that (i) the prior consent of the Monitor is obtained, (ii) such amendment would not be materially prejudicial to the interests of any of the Creditors under the Plan, and (iii) notice of any such variation, amendment, modification or supplement is given to all Eligible Voting Creditors present in person or by proxy (and in such case, notice given to the Eligible Voting Creditor's proxy holder shall be sufficient) at each Meeting prior to the vote being taken at such Meeting; in which case any such variation, amendment, modification or supplement shall be deemed to be part of and incorporated into the Plan, and such Amended Plan shall be promptly posted on the Monitor's Website and filed with the Court as soon as practicable following the Meetings; and
- (c) after the Meetings (both prior to and subsequent to the date of the Sanction Order, if granted) without obtaining a further Order of this Court and without notice to any Creditors, if the Petitioner Parties and the Monitor, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement is of a technical or administrative nature that would not be prejudicial to the interests of any of the Creditors under the Plan and is necessary in order to give effect to the substance of the Plan or the Sanction Order (if granted).

CLASSIFICATION OF CREDITORS

5. For the purposes of considering and voting on the Plan, there shall be two (2) Classes of Creditors as established in the Plan, being the Unsecured Claims Class and the First Lien Notes Claims Class.

NOTICE OF MEETINGS AND INFORMATION PACKAGE

6. The Company's management proxy circular (the "**Information Circular**"), the form of notice of the Meetings (the "**Notice of Meetings**"), the forms of proxy for General Unsecured Creditors and the voting forms for Unsecured Noteholders and for First Lien Noteholders, the Cash Election Form, the Convenience Share Election Form (collectively, the "**Information Package**") and the Newspaper Notice (the "**Newspaper Notice**") in substantially the forms attached to this Order as **Schedules "D", "E", "F", "G", "H", "I", "J", "K", "L" and "M"** respectively, are hereby approved.

7. Notwithstanding paragraph 6 above, but subject to paragraph 4, the Petitioner Parties may from time to time make such minor changes to the documents in the Information Package as the Petitioner Parties and the Monitor consider necessary or desirable to conform the content thereof to the terms of the Plan or this Order or to describe the Plan.

8. As soon as practicable after the granting of this Order and in any event within two (2) Business Days following the date of this Order, the Monitor shall cause a copy of the Information Package (and any amendments made thereto in accordance with paragraph 7 hereof), this Order (including all schedules that are not included in the Information Package), and the Monitor's Fifth Report dated March [●], 2012 to be posted on the Monitor's Website. The Monitor shall ensure that the Information Package remains posted on the Monitor's Website until at least one (1) Business Day after the Effective Date.

9. Forthwith after the granting of this Order, the Monitor shall deliver a copy of the Information Package (without the Cash Election Form, the Convenience Share Election Form and the General Unsecured Creditors Proxy) to Globic Advisors (the "**Solicitation Agent**"). As soon as practicable after the granting of this Order and in any event within four (4) Business Days following the date of this Order, the Monitor shall send the Information Package (without

the voting instruction forms and master proxies for and in respect of the Noteholders) to all Creditors (other than Noteholders) known to the Monitor and the Petitioner Parties as of the date of this Order by regular mail, facsimile, courier or e-mail at the last known address (including fax number or email address) for such Creditors set out in the books and records of the Petitioner Parties.

10. As soon as practicable following the receipt of a request therefor, the Monitor shall send a copy of the Information Package by registered mail, facsimile, courier or e-mail, to each Creditor who, no later than three (3) Business Days prior to the applicable Meeting (or any adjournment thereof), makes a written request for it.

PUBLICATION OF NEWSPAPER NOTICE

11. As soon as practicable after the granting of this Order and in any event within four (4) Business Days following the date of this Order, the Monitor shall use reasonable efforts to cause the Newspaper Notice (substantially in the form attached hereto as **Schedule "M"**) to be published for a period of one (1) Business Day in *The National Post*, the *Victoria Times Colonist*, the *Vancouver Sun* and *The Wall Street Journal*.

UNSECURED NOTEHOLDERS SOLICITATION PROCESS

12. The record date for the purposes of determining which Unsecured Noteholders are entitled to receive notice of the Unsecured Creditors Meeting and vote at the Unsecured Creditors Meeting shall be 5:00 p.m. on March 16, 2012 at the prevailing Pacific time (the "**Unsecured Noteholder Record Date**").

13. As soon as practicable after the granting of this Order, and in any event within four (4) Business Days following the date of this Order, the Solicitation Agent shall cause a copy of the Information Package (but not including the General Unsecured Creditor Proxy, the Cash Election Form and the Convenience Share Election Form) to be sent to:

- (a) each of the registered Unsecured Noteholders that appear on the applicable securities register of Catalyst as at the Unsecured Noteholder Record Date, by one or more of the following methods:

- (i) by email or by prepaid ordinary or first class mail addressed to the Unsecured Noteholder at his, her or its address as it appears on the applicable securities register of Catalyst as at the Unsecured Noteholder Record Date;
 - (ii) by delivery in person, or by delivery to the address specified in subparagraph (i) above; or
 - (iii) by email or facsimile transmission to any Unsecured Noteholder who identifies himself, herself or itself to the satisfaction of the Solicitation Agent, acting through its representatives, and who requests such email or facsimile transmission; and
- (b) each of the non-registered Unsecured Noteholders, by sending copies of the Information Package to intermediaries and registered nominees for forwarding on to both non-objecting beneficial owners and objecting beneficial owners, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

14. Notwithstanding paragraph 6 of this Order, and paragraph 4 of this Order, in the event that any amendments or supplements are made to the Information Package (the “**Additional Information**”) after the Information Package has been sent to the Unsecured Noteholders pursuant to paragraph 13 of this Order, the Petitioner Parties shall only be required to distribute such Additional Information to the Unsecured Noteholders by way of press release.

15. Accidental failure of or accidental omission by the Solicitation Agent to provide a copy of the Information Package to any one or more of the Unsecured Noteholders, the non-receipt of a copy of the Information Package beyond the reasonable control of the Solicitation Agent, or any failure or omission to provide a copy of the Information Package as a result of events beyond the reasonable control of the Solicitation Agent (including, without limitation, any inability to use postal services) shall not constitute a breach of this Order, and shall not invalidate any resolution passed or proceedings taken at the Unsecured Creditors Meeting, but if any such

failure or omission is brought to the attention of the Solicitation Agent, then the Solicitation Agent shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

FIRST LIEN NOTEHOLDERS SOLICITATION PROCESS

16. The record date for the purposes of determining which First Lien Noteholders are entitled to receive notice of the First Lien Noteholders Meeting and vote at the First Lien Noteholders Meeting shall be 5:00 p.m. on March 16, 2012 at the prevailing Pacific time (the “**First Lien Noteholder Record Date**”).

17. As soon as practicable after the granting of this Order, and in any event within four (4) Business Days following the date of this Order, the Solicitation Agent shall cause a copy of the Information Package (but not including the General Unsecured Creditor Proxy, the Cash Election Form and the Convenience Share Election Form) to be sent to:

- (a) each of the registered First Lien Noteholders that appear on the applicable securities register of Catalyst as at the First Lien Noteholder Record Date, by one or more of the following methods:
 - (i) by email or prepaid ordinary or first class mail addressed to the First Lien Noteholder at his, her or its address as it appears on the applicable securities register of Catalyst as at the First Lien Noteholder Record Date;
 - (ii) by delivery in person, or by delivery to the address specified in subparagraph (i) above; or
 - (iii) by email or facsimile transmission to any First Lien Noteholder who identifies himself, herself or itself to the satisfaction of the Solicitation Agent, acting through its representatives, and who requests such email or facsimile transmission; and
- (b) each of the non-registered First Lien Noteholders, by sending copies of the Information Package to intermediaries and registered nominees for forwarding on

to both non-objecting beneficial owners and objecting beneficial owners, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

18. Notwithstanding paragraph 6 of this Order, and paragraph 4 of this Order, in the event that there is any Additional Information after the Information Package has been sent to the First Lien Noteholders pursuant to paragraph 17 of this Order, the Petitioner Parties shall only be required to distribute such Additional Information to the First Lien Noteholders by way of press release.

19. Accidental failure of or accidental omission by the Solicitation Agent to provide a copy of the Information Package to any one or more of the First Lien Noteholders, the non-receipt of a copy of the Information Package beyond the reasonable control of the Solicitation Agent, or any failure or omission to provide a copy of the Information Package as a result of events beyond the reasonable control of the Solicitation Agent (including, without limitation, any inability to use postal services) shall not constitute a breach of this Order, and shall not invalidate any resolution passed or proceedings taken at the First Lien Noteholders Meeting, but if any such failure or omission is brought to the attention of the Solicitation Agent, then the Solicitation Agent shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

NOTICE SUFFICIENT

20. The publication of the Newspaper Notice, the sending of a copy of the Information Package to Creditors in accordance with paragraph 9 above, the posting of the Information Package on the Monitor's Website, and the provision of notice to the Unsecured Noteholders and First Lien Noteholders in the manner set out in paragraphs 8, 9, 11, 13 and 17 above, shall constitute good and sufficient service of this Order, the Plan and the Notice of Meetings on all Persons who may be entitled to receive notice thereof in these proceedings, or who may wish to be present in person or by proxy at the Meetings or in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings. Service shall be effective, in the case of

mailing, three (3) Business Days after the date of mailing, in the case of service by courier, on the day after the courier was sent, in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch and in the case of service by fax or e-mail, on the day the fax or e-mail was transmitted, unless (i) such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m., in which case, on the next Business Day, or (ii) a return failure-to-deliver message is received by sender.

THE MEETINGS

21. The Petitioner Parties are hereby authorized and directed to call, hold and conduct a separate meeting for each Class of Creditors on April 23, 2012, at the Delta Vancouver Airport Hotel, 3500 Cessna Drive, Vancouver, British Columbia, V7B 1C7 at 10:00 a.m. for the Unsecured Claims Class (the “**Unsecured Creditors Meeting**”) and at 11:00 a.m. for the First Lien Notes Claims Class (the “**First Lien Noteholders Meeting**”), or as adjourned to such places and times as the Chair or Monitor may determine in accordance with paragraph 46 hereof, for the purposes of considering and voting on the resolution to approve the Plan and transacting such other business as may be properly brought before the applicable Meeting.

ATTENDANCE AT THE MEETINGS

22. The only Persons entitled to notice of, attend or speak at a Meeting are the Eligible Voting Creditors (which, for greater certainty, shall include the Unsecured Noteholders as at the Unsecured Noteholder Record Date at the Unsecured Creditors Meeting and the First Lien Noteholders as at the First Lien Noteholder Record Date at the First Lien Noteholders Meeting) of the applicable Class of Creditors and their respective proxy holders, representatives of the Petitioner Parties, the Monitor, the Steering Group, the Initial Supporting Noteholders and the legal counsel and financial advisors of any of the foregoing, the Chair, Scrutineers and the Secretary. Any other Person may be admitted to a Meeting only by invitation of the Petitioner Parties or the Monitor.

23. An Eligible Voting Creditor that is not an individual may only attend and vote at a Meeting if it has appointed a proxy holder to attend and act on its behalf at such Meeting.

DISPUTED CLAIMS

24. If the amount of a Disputed Claim has not been finally determined or resolved at least one (1) Business Day prior to the date of the applicable Meeting or any adjournment thereof, the holder thereof shall be entitled to vote the aggregate amount of the Disputed Claim(s) of the holder in accordance with the provisions of this Order, without prejudice to the rights of the Petitioner Parties, the Monitor or the holder of the Disputed Claim(s) with respect to the final determination of the Disputed Claim(s) for distribution purposes and such vote shall be separately tabulated by the Monitor in accordance with paragraphs 49 and 50 of this Order. Votes cast in respect of any Disputed Claim shall not be counted toward the Required Majorities.

ENTITLEMENT TO VOTE AT THE MEETINGS

25. Any Person having an Unaffected Claim shall not be entitled to vote on the Plan at a Meeting in respect of such Unaffected Claim and, except as otherwise permitted herein, shall not be entitled to attend a Meeting.

26. Any Creditor holding a Claim (other than an Allowed Claim) that has not submitted a Proof of Claim in respect of its Claim in accordance with the procedure set out in the Claims Procedure Order prior to the Claims Bar Date or the Restructuring Claims Bar Date set out therein, as applicable, shall not be entitled to vote on the Plan at the applicable Meeting in respect of its Claim.

27. Subject to paragraphs 43 and 44 hereof, or as otherwise may be determined in connection with this Order, the only Persons entitled to vote at a Meeting in person or by proxy are Eligible Voting Creditors.

VOTING AT THE MEETINGS

28. The quorum required at each Meeting shall be one (1) Eligible Voting Creditor present in person or by proxy at such Meeting.

29. Subject to paragraphs 24, 44 and 50 hereof, each Eligible Voting Creditor shall have one (1) vote, which vote shall have the value of such Eligible Voting Creditor's Allowed Claim(s) as

determined in accordance with the Claims Procedure Order, any other order of the Court and/or the Plan.

30. The Chair be and is hereby authorized to accept and rely upon proxies that are substantially in the form attached to this Order as **Schedules "F", "G", "H", "I" and "J"** and as permitted by paragraphs 39, 40 and 41 hereof.

31. An Eligible Voting Creditors' Claim shall not include fractional numbers and for voting purposes, shall be rounded down to the nearest whole U.S. Dollar amount.

UNSECURED CLASS

A) Convenience Share Election Creditors

32. Any Convenience Creditor may make a Convenience Share Election by sending a Convenience Share Election Form (in the form attached hereto as **Schedule "L"**) to the Monitor such that it is received by the Monitor at least one (1) Business day prior to the Unsecured Creditors Meeting. For purposes of determining the Required Majorities, any Convenience Creditor who makes a Convenience Share Election in accordance with this Order and the Plan (a **"Convenience Share Election Creditor"**) shall be deemed to vote in favour of the resolution to approve the Plan to the extent of his, her or its Allowed Claim and shall not be entitled to attend or vote at the Unsecured Creditors Meeting, whether in person or by proxy.

B) Cash Election Creditors

33. Any General Unsecured Creditor that is not a Convenience Creditor may make a Cash Election by sending a Cash Election Form (in the form attached hereto as **Schedule "K"**) to the Monitor such that it is received by the Monitor at least one (1) Business Day prior to the Unsecured Creditors Meeting. The Allowed Claim of any General Unsecured Creditor who makes a Cash Election in accordance with this Order and the Plan (a **"Cash Election Creditor"**) shall be deemed to be equal to CAD \$10,000 for distribution purposes only. For purposes of determining the Required Majorities, any such Cash Election Creditor shall be deemed to vote in favour of the resolution to approve the Plan to the full extent of his, her or its Allowed Claim and shall not be entitled to attend or vote at the Unsecured Creditors Meeting, whether in person or by proxy.

C) General Unsecured Creditors (not including Convenience Share Election Creditors or Cash Election Creditors)

34. For the purposes of voting at the Unsecured Creditors Meeting, the Allowed Claim of any General Unsecured Creditors (not including Convenience Share Election Creditors or Cash Election Creditors) shall be deemed to be equal to the extent of his, her or its Allowed Claim.

D) Unsecured Noteholders

35. For the purposes of voting at the Unsecured Creditors Meeting, the Allowed Claim of any Unsecured Noteholder shall be deemed to be equal to its pro rata share of the Unsecured Notes Claims Voting Amount (as defined and determined in accordance with paragraph 11 of the Claims Procedure Order).

36. Non-registered Unsecured Noteholders will be required to submit their vote via their respective intermediary and nominee in order to verify their allowed claim as of the record date.

FIRST LIEN NOTES CLASS

37. For the purposes of voting at the First Lien Noteholders Meeting, the Allowed Claim of any First Lien Noteholder shall be deemed to be equal to its pro rata share of the First Lien Notes Claims Voting Amount (as defined in and determined in accordance with paragraph 12 of the Claims Procedure Order).

38. Non-registered First Lien Noteholders will be required to submit their vote via their respective intermediary and nominee in order to verify their Allowed Claim as of the record date.

VOTING BY PROXIES

39. All proxies submitted, other than proxies submitted by First Lien Noteholders or Unsecured Noteholders, in respect of the Unsecured Creditors Meeting (or any adjournment thereof) must be (a) submitted prior to the Unsecured Creditors Meeting; and (b) in substantially the form attached to this Order as **Schedule "F"**, as applicable, or in such other form acceptable to the Monitor or the Chair. The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and

executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith.

40. Each of the non-registered Unsecured Noteholders, who hold their claims through intermediaries or nominees, shall execute a Beneficial Noteholder Voting Instruction Form, attached as **Schedule "G"**, and return the Beneficial Noteholder Voting Instruction Form to their respective intermediary or nominee. The intermediaries or nominees, holding the Unsecured Notes for the benefit of the underlying Noteholders, will verify the Noteholder's record date claim, and include that claim on that intermediary's and nominee's Master Proxy, attached as **Schedule "H"** for delivery to the Solicitation Agent as set out in **Schedule "H"** no later than 1:00 p.m. (prevailing Pacific time) on April 20, 2012. The Solicitation Agent shall, as soon as reasonably practicable after receipt of any Beneficial Noteholder Voting Instruction Forms and Master Proxies, deliver the relevant information to the Monitor. By no later than 5:00 p.m. (prevailing Pacific time) on April 20, 2012, the Solicitation Agent shall deliver to the Monitor a summary of all information received by the Solicitation Agent along with copies of all Beneficial Noteholder Voting Instruction Forms and Master Proxies received by the Solicitation Agent.

41. Each of the non-registered First Lien Noteholders, who hold their claims through intermediaries or nominees, shall execute a Beneficial Noteholder Voting Instruction Form, attached as **Schedule "I"**, and return the Beneficial Noteholder Voting Instruction Form to their respective intermediary or nominee. The intermediaries or nominees, holding the First Lien Notes for the benefit of the underlying Noteholders, will verify the Noteholder's record date claim, and include that claim on that intermediary's and nominee's Master Proxy, attached as **Schedule "J"** for delivery to the Solicitation Agent as set out in **Schedule "J"** no later than 1:00 p.m. (prevailing Pacific time) on April 20, 2012. The Solicitation Agent shall, as soon as reasonably practicable after receipt of any Beneficial Noteholder Voting Instruction Forms and Master Proxies, deliver the relevant information to the Monitor. By no later than 5:00 p.m. (prevailing Pacific time) on April 20, 2012, the Solicitation Agent shall deliver to the Monitor a summary of all information received by the Solicitation Agent along with copies of all Beneficial Noteholder Voting Instruction Forms and Master Proxies received by the Solicitation Agent.

42. Paragraphs 39, 40 and 41 hereof, the Instruction for Completion of Proxy and the Instructions for Completion of Voting Instruction Form (which instructions are part of the documents attached hereto as **Schedules "F", "G", "H", "I" and "J"**) shall govern the submission of such documents and any deficiencies in respect of the form or substance of such documents filed with the Solicitation Agent.

TRANSFERS OR ASSIGNMENTS OF CLAIMS

43. Subject to paragraphs 32 and 33 above, if an Affected Creditor other than a Noteholder transfers or assigns an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Meeting unless (i) the assigned Affected Claim is an Allowed Claim or Disputed Claim, or a combination thereof, and (ii) notice of and proof of transfer or assignment has been delivered to the Monitor in accordance with paragraph 36 of the Claims Procedure Order no later than three (3) Business Days prior to the date of the applicable Meeting.

44. Subject to paragraphs 32 and 33 above, if an Affected Creditor other than a Noteholder transfers or assigns (i) the whole of its Affected Claim to more than one Person, or (ii) part of its Affected Claim to another Person or Persons, such transfers or assignments shall not create separate Affected Claims for voting purposes. Only the last Affected Creditor holding the whole of the Affected Claim may attend and vote the Affected Claim (including any transferred or assigned parts thereof) at the applicable Meeting (provided that such Affected Creditor is an Eligible Voting Creditor and only that portion of the Affected Claim that is an Allowed Claim or Disputed Claim shall be eligible to be voted), unless such Affected Creditor delivers notice in writing to the Monitor in accordance with paragraph 36 of the Claims Procedure Order no later than three (3) Business Days prior to the date of the applicable Meeting, directing that a specified transferee or assignee may vote the Affected Claim (including any transferred or assigned parts thereof) at the applicable Meeting if and to the extent such Affected Claim may otherwise be voted at such Meeting.

PROCEDURE AT THE MEETINGS

45. A representative of the Monitor shall preside as the chair of each of the Meetings (the "**Chair**") and shall decide all matters relating to the rules and procedures at, and the conduct of,

such Meeting in accordance with the terms of the Plan, this Order and further Order of this Court.

46. A Meeting shall be adjourned to such date, time and place as may be designated by the Chair or the Monitor, if:

- (a) the requisite quorum is not present at such Meeting;
- (b) such Meeting is postponed by a vote of the majority in value of the Claims of the Eligible Voting Creditors present in person or by proxy at such Meeting; or
- (c) prior to or during the Meeting, the Chair or the Monitor, with the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, otherwise decides to adjourn such Meeting.

The announcement of the adjournment by the Chair at such Meeting (if the adjournment is during a Meeting), the posting of notice of such adjournment on the Monitor's Website, written notice to the Service List and issuing a press release with respect to such adjournment shall constitute sufficient notice of the adjournment and neither the Petitioner Parties nor the Monitor shall have any obligation to give any other or further notice to any Person of the adjourned Meeting.

47. Every question submitted to a Meeting, except to approve the Plan resolution or an adjournment of such Meeting, shall be decided by a majority of votes given on a show of hands or by confidential written ballot, at the discretion of the Chair, by a majority in number of the Eligible Voting Creditors.

48. The Chair shall direct a vote by the Eligible Voting Creditors of each Class on the resolutions (substantially in the form attached to this Order as **Schedules "N" and "O"**) to approve the Plan (i) by way of written ballot, or (ii) if the Chair deems it appropriate, by a show of hands.

49. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance at, quorum, and votes cast at each Meeting. A Person or Persons

designated by the Monitor shall act as secretary (the “**Secretary**”) at each Meeting and shall tabulate all Allowed Claims (and, if applicable, Disputed Claims) voted at each such Meeting.

50. For voting purposes, the Monitor shall keep a separate record and tabulation of any votes (including deemed votes) cast in respect of Allowed Claims and Disputed Claims.

51. The result of any vote conducted at a Meeting of a Class of Creditors shall be binding upon all Creditors of that Class, whether or not any such Creditor was present or voted (or was deemed to have voted) at the Meeting, without prejudice to such Creditor’s ability to oppose the Plan at the Sanction Hearing on a basis other than that the Required Majorities were obtained.

52. Following the vote by a Class of Creditors at a Meeting, the Monitor shall tally the votes cast and deemed to be cast in accordance with the terms of this Order and determine whether the Plan has been approved by the majorities of Eligible Voting Creditors of that Class required pursuant to section 6 of the CCAA (the “**Required Majorities**”).

53. The Monitor shall file its report to this Court by no later than one (1) Business Day after the date of the Meetings detailing the votes cast or deemed to be cast in respect of Allowed Claims and Disputed Claims and the results of the votes cast, including, without limitation, whether:

- (a) the Plan has been accepted by the Required Majorities of Creditors in each Class;
and
- (b) the votes cast or deemed to be cast by Eligible Voting Creditors with Disputed Claims, if any, would affect the result of the vote.

54. If the votes cast by the holders of Disputed Claims would affect whether the Plan has been approved by the Required Majorities of Creditors, the Monitor shall report this to the Court in accordance with paragraph 53 of this Order, in which case (i) the Petitioner Parties or the Monitor may request this Court to direct an expedited determination of any material Disputed Claims, as applicable, (ii) the Petitioner Parties, with the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, may request this Court to defer the date of the hearing of the Sanction Hearing, (iii) the Petitioner

Parties, with the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, may request this Court to defer or extend any other time periods in this Order or the Plan, and/or (iv) the Petitioner Parties or the Monitor may seek such further advice and direction as may be considered appropriate.

55. The Court directs the Monitor to compile lists of General Unsecured Creditors and Unsecured Noteholders entitled to vote at the meeting including separate lists of General Unsecured Creditors and Unsecured Noteholders who did not cast a vote at the meeting or file a proxy in respect thereto.

56. An electronic copy of the Monitor's Report regarding the Meetings and the Plan, including any amendments and variations thereto, shall be posted on the Monitor's Website prior to the Sanction Hearing.

HEARING FOR SANCTION OF THE PLAN

57. If the Plan is approved by the Required Majorities of Eligible Voting Creditors at each of the Meetings, or by subsequent Court Order, the Petitioner Parties shall seek Court approval of the Plan by bringing an application for approval of an Order sanctioning the Plan (the "**Sanction Order**"), which application shall be returnable before this Court at 9:45 a.m. on April 25, 2012, or, with the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, as soon after that date as the matter can be heard (the "**Sanction Hearing**").

58. Service of the Information Package pursuant to paragraphs 8, 9, 13 and 17 hereof and the publication of the Newspaper Notice pursuant to paragraph 11 hereof shall constitute good and sufficient service of the notice of the Sanction Hearing on all Persons who may be entitled to receive notice of the Sanction Hearing, and no other form of notice or service need be made on such Persons, and no such other document or materials need be served on such Persons in respect of the Sanction Hearing unless they have filed and served an Application Response in accordance with paragraph 59 of this Order.

59. Any party who wishes to oppose the application for approval of the Sanction Order shall serve upon the lawyers for the Petitioner Parties, the Monitor, and upon all other parties on the

Service List, by not later than 12:00 p.m. on April 24, 2012: (a) an Application Response in the form prescribed by the British Columbia Supreme Court Civil Rules setting out the basis for such opposition; and (b) a copy of the materials to be used to oppose the application for approval of the Sanction Order setting out the basis for the opposition.

60. If the Sanction Hearing is adjourned in accordance with the terms hereof, only those Persons who are listed on the Service List (which shall include those Persons who have complied with paragraph 59 of this Order) shall be served with notice of the adjourned date.

GENERAL

61. The Petitioner Parties and the Monitor may, in their discretion, generally or in individual circumstances, but in accordance and compliance with the terms of this Order, waive in writing the time limits imposed on any Creditor under this Order if the Petitioner Parties and the Monitor deem it advisable to do so, without prejudice to the requirement that all other Creditors must comply with this Order.

62. If any deadline set out in this Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

63. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. prevailing Pacific time on such Business Day unless otherwise indicated herein.

64. Notwithstanding the terms of this Meeting Order, the Petitioner Parties and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Meeting Order, including with respect to the Meetings and the schedules to this Meeting Order, or for such further Order or Orders as either of them may consider necessary or desirable to amend, supplement or replace this Meeting Order, including any schedule to this Meeting Order.

65. Subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order

shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

EFFECT, RECOGNITION AND ASSISTANCE OF OTHER COURTS

66. **THIS COURT REQUESTS** the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America, (including, without limitation, the United States Bankruptcy Court), to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to (i) make such orders and to provide such assistance to the Petitioner Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, (ii) grant representative status to any of the Petitioner Parties, in any foreign proceeding, and (iii) assist the Petitioner Parties, the Monitor and the respective agents of each of the foregoing in carrying out the terms of this Order.

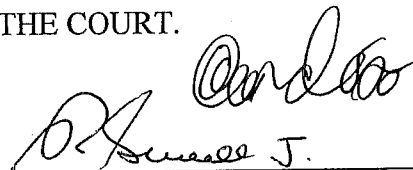
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



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



BY THE COURT.



Registrar

SCHEDULE "A" TO MEETINGS ORDER
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”

Counsel Name	Name of Party
Lance Williams	Powell River Energy Inc., Quadrant Investments Ltd. and TimberWest Forest Corp.
Peter Reardon	JPMorgan Chase Bank, N.A.
David Gruber Melaney Wagner Rob Chadwick	A Representative Group of 2014 Unsecured Noteholders and certain 2016 Noteholders
John Sandrelli Chris Ramsay	A Representative Group of 2016 Noteholders
William Skelly George Benchetrit (by telephone)	Wilmington Trust, National Association
Chris Simard	Ad Hoc Committee of 2014 Noteholders
Ari Kaplan	Catalyst Salaried Employees & Pensioner Committee
Dan Rogers	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
Heather Ferris Marc Wasserman	Board of Directors of Catalyst
Orestes Pasparakis (by telephone)	Wells Fargo Bank NA
Brent Johnston Andrea Glen	Catalyst TimberWest Retired Salaried Employees Association
Elizabeth Pillon (by telephone) Lisa Hiebert	Canexus Corp and Casco Inc.
Kendall Andersen	Tolko Industries Ltd. and BC Hydro
Tim Timberg	HMTQ in Right of Canada
David Hatter Elizabeth Rowbotham	HMTQ in Right of the Province of British Columbia
Sebastien Anderson	United Steelworkers International and USW Local 2688

SCHEDULE "C" TO MEETINGS ORDER
PLAN OF COMPROMISE AND ARRANGEMENT
(Attached)

SCHEDULE "D" TO MEETINGS ORDER
INFORMATION CIRCULAR
(Attached)

SCHEDULE "E" TO MEETINGS ORDER
FORM OF NOTICE OF MEETINGS
(Attached)

**NOTICE OF THE MEETINGS OF CATALYST PAPER CORPORATION, THE OTHER
PETITIONERS LISTED IN THE ATTACHED SCHEDULE "A" AND CATALYST
PAPER GENERAL PARTNERSHIP**

(hereinafter referred to collectively as the "**Petitioner Parties**")

NOTICE IS HEREBY GIVEN that the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as may be amended, restated or supplemented from time to time, the "**Plan**") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Supreme Court of British Columbia (the "**Court**"). The Plan contemplates the compromise of the rights and claims of certain creditors of the Petitioner Parties. A copy of the Plan is attached to the enclosed Information Circular.

Capitalized terms used and not otherwise defined in this Notice are as defined in the order of the Court dated March 22, 2012 (the "**Meetings Order**").

NOTICE IS ALSO HEREBY GIVEN that the Petitioner Parties, with the consent of the Majority Initial Supporting Noteholders, in consultation with the Initial Supporting Unsecured Noteholders, and upon prior consultation with the Monitor, may vary, amend, modify or supplement the Plan, in accordance with its terms and/or the Meetings Order at any time and from time to time provided that:

- (a) if made prior to the Meetings, the Debtors (i) obtain the prior consent of the Monitor, (ii) file the amended Plan with the Court, (iii) serve the amended Plan on the parties listed on the service list to these CCAA Proceedings, (iv) provide reasonable notice of the amended Plan to Creditors that have filed proxies with the Monitor to the extent that such Creditors are not on the service list, and (v) request the Monitor to post the amended Plan on the Monitor's website at www.pwc.com/car-catalystpaper;
- (b) if made during a Meeting, (i) the prior consent of the Monitor is obtained, (ii) the amendment would not be materially prejudicial to the interests of any of the Creditors under the Plan, and (iii) notice of the amendment is given to all Creditors eligible to vote and present at the Meetings prior to the vote being taken; in which case the amended Plan shall be promptly posted on the Monitor's website at www.pwc.com/car-catalystpaper and filed with the Court; and
- (c) if made after the Meetings and, without further order of the Court or notice to any Creditor, the Debtors and the Monitor, acting reasonably and in good faith, determine the variation, amendment, modification or supplement in the amended Plan to be (i) of a technical or administrative nature that would not prejudice the interests of any of the Creditors under the Plan and (ii) necessary in order to give effect to the substance of the Plan or the Sanction Order;

Creditors who wish to receive written notice of any variation, modification, amendment or supplement to the Plan should contact the Monitor at the following address:

PricewaterhouseCoopers Inc.,
Court-appointed Monitor of Catalyst Paper Corporation et al.
250 Howe Street, Suite 700
Vancouver, British Columbia V6C 3S7

Attention: Patricia Marshall
Telephone: 604-806-7070
Fax: 604-806-7806
Email: catalystclaims@ca.pwc.com

NOTICE IS ALSO HEREBY GIVEN that the Meetings Order established the procedures for the Petitioner to call, hold and conduct Meetings of holders of Claims (the “**Meetings**”) to consider and pass resolutions, if thought advisable, approving the Plan and to transact such other business as may be properly brought before the Meetings. For the purpose of voting on and receiving distributions pursuant to the Plan, the holders of Claims will be grouped into two classes, being the Unsecured Claims Class and the First Lien Notes Claims Class.

NOTICE IS ALSO HEREBY GIVEN that the Meetings will be held at the following date, times and location:

Date: April 23, 2012

Time: 10:00 a.m. (prevailing Pacific time) – Unsecured Claims Class
11:00 a.m. (prevailing Pacific time) – First Lien Notes Claims Class

Location: Delta Vancouver Airport Hotel, 3500 Cessna Drive, Vancouver, British Columbia, V7B 1C7

Subject to paragraphs 32 and 33 of the Meetings Order, only those creditors with Allowed Claims or Disputed Claims (each such creditor, an “**Eligible Voting Creditor**”) will be eligible to attend the applicable Meetings and vote on a resolution to approve the Plan. The votes of creditors holding Disputed Claims will be separately tabulated and Disputed Claims will be resolved for voting purposes in accordance with the Claims Procedure Order, the Meetings Order and the Plan. A holder of an Unaffected Claim, as defined in the Plan, shall not be entitled to attend or vote at the Meetings in respect of such Unaffected Claim. Any Convenience Creditor that files a Convenience Share Election Form and any General Unsecured Creditor that files a Cash Election Form shall be deemed to have voted in favour of the resolution to approve the Plan and shall not be entitled to attend or vote at the Meetings in respect of such Claim. March 16, 2012 has been set as the record date for holders of Unsecured Notes and First Lien Notes to determine entitlement to vote at the Meeting.

Any Eligible Voting Creditor who is unable to attend the applicable Meeting may vote by proxy. Further, any Eligible Voting Creditor who is not an individual may only attend and vote at the applicable Meeting if a proxy holder has been appointed to act on its behalf at such Meeting.

Proxies submitted by parties other than First Lien Noteholders and Unsecured Noteholders can be submitted on the date of the Meeting if submitted prior to the commencement of the Meeting. Proxies submitted in respect of First Lien Noteholders and Unsecured Noteholders must be submitted to Globic Advisors (as Solicitation Agent) no later than 1:00 p.m. (prevailing Pacific time) on April 20, 2012 as set out in the Meetings Order or, as applicable, submitted to the Monitor by mail, delivery, courier, e-mail or facsimile at the address of the Monitor set out on the proxy by no later than 1:00 p.m. (prevailing Pacific time) on the last Business Day preceding the date set for the Meeting, or any adjournment thereof, in order to be acted upon at the applicable Meeting.

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at the Meetings by the Creditors and all other necessary conditions are met, the Petitioner Parties intend to make an application to the Court on April 25, 2012 seeking an order sanctioning the Plan pursuant to the CCAA (the “**Sanction Order**”). Any person wishing to oppose the application for the Sanction Order must serve a copy of the materials to be used to oppose the application and setting out the basis for such opposition upon the lawyers for both the Petitioner Parties and the Monitor as well as those parties listed on the Service List posted on the Monitor’s website. Such materials must be served by not later than 12:00 p.m. (prevailing Pacific time) on April 24, 2012.

NOTICE IS ALSO HEREBY GIVEN that in order for the Plan to become effective:

- (i) the Plan must be approved by the required majority of Creditors as required under the CCAA and in accordance with the terms of the Meetings Order;
- (ii) the Plan must be sanctioned by the Court; and
- (iii) the conditions to the implementation and effectiveness of the Plan as set out in the Plan and summarized in the Information Circular must be satisfied or waived.

Additional copies of the Information Package, including the Information Circular and the Plan, may be obtained from the Monitor’s Website at www.pwc.com/car-catalystpaper or by contacting the Monitor by telephone at 604-806-7070 or by email at catalystclaims@ca.pwc.com.

Schedule “A” to Notice of the Meetings

Other 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 “F” TO MEETINGS ORDER
FORM OF PROXY – GENERAL UNSECURED CREDITORS PROXY
(Attached)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CATALYST PAPER CORPORATION, CATALYST PAPER GENERAL
PARTNERSHIP AND THE PETITIONERS LISTED IN SCHEDULE "A" TO
THE MEETINGS ORDER

GENERAL UNSECURED CREDITOR PROXY

Before completing this proxy, please read carefully the accompanying Instructions For Completion of Proxy. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as may be amended, restated or supplemented from time to time, the "**Plan**") filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Supreme Court of British Columbia (the "**Court**").

In accordance with the Plan, this proxy may only be filed by General Unsecured Creditors having an Allowed Claim or a Disputed Claim ("**Eligible Voting Creditors**") but is NOT to be completed by those Creditors completing a Cash Election Form or a Convenience Share Election Form.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Print Name of proxy

or, instead of the foregoing, Neil Bunker of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion, may designate, to attend on behalf of and act for the Eligible Voting Creditor at the Unsecured Creditors Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such Unsecured Creditors Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan as follows:

A. (mark one only):

- ☐ Vote **FOR** approval of the Plan; or
- ☐ Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan.

- and -

B. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that

may come before the Unsecured Creditors Meeting or any adjournment, postponement or other rescheduling of the Unsecured Creditors Meeting.

Dated this _____ day of _____, 2012.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Signature of Witness

INSTRUCTIONS FOR COMPLETION OF PROXY

1. This proxy should be read in conjunction with the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as may be amended from time to time, the “**Plan**”) filed pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) with the Supreme Court of British Columbia (the “**Court**”), the Information Circular and the Meetings Order.
2. Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of the Eligible Voting Creditor and such right may be exercised by inserting the name of the person to be appointed in the space provided on the proxy.
3. If no name has been inserted in the space provided, the Eligible Voting Creditor shall be deemed to have appointed [**Name**] of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as [**he/she**], in [**his/her**] sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Unsecured Creditors Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such Unsecured Creditors Meeting.
4. An Eligible Voting Creditor who has given a proxy may revoke it unless such Eligible Voting Creditor has agreed otherwise (as to any matter on which a vote has not already been cast pursuant to its authority) by delivering written notice to the Monitor.
5. If this proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor or the Chair presiding over the Unsecured Creditors Meeting.
6. A valid proxy from the same Eligible Voting Creditor bearing or deemed to bear a later date shall revoke this proxy. If more than one valid proxy from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies shall not be counted for the purposes of the vote.
7. This proxy confers discretionary authority upon the persons named herein in respect of amendments, variations or supplements to the Plan or other matters that may properly come before the Unsecured Creditors Meeting or any adjournment, postponement or other rescheduling of the Unsecured Creditors Meeting.
8. The Person named in the proxy shall vote the Allowed Claim or Disputed Claim, as applicable, of the Eligible Voting Creditor in accordance with the direction of the Eligible Voting Creditor appointing them on any ballot that may be called for at the Unsecured Creditors Meeting. **IF AN ELIGIBLE VOTING CREDITOR SUBMITS THIS PROXY AND FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THIS PROXY SHALL BE VOTED FOR APPROVAL OF THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR SUPPLEMENTS THERETO.**
9. This proxy must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor’s behalf or, if the Eligible

Voting Creditor is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust, you may be required to provide documentation evidencing your power and authority to sign this proxy.

10. A proxy, once duly completed, dated and signed, must be received by the Monitor by email to catalystclaims@ca.pwc.com, or if the completed proxy cannot be sent by email it shall be sent by facsimile, registered mail or courier to:

PricewaterhouseCoopers Inc.,
Court-appointed Monitor of Catalyst Paper Corporation et al.
250 Howe Street, Suite 700
Vancouver, British Columbia V6C 3S7
Attention: Patricia Marshall
Telephone: 604-806-7070
Fax: 604-806-7806
Email: catalystclaims@ca.pwc.com

THIS PROXY MUST BE RECEIVED BY THE MONITOR PRIOR TO THE COMMENCEMENT OF THE UNSECURED CREDITORS MEETING ON APRIL 23, 2012 OR, IF THE UNSECURED CREDITORS MEETING IS ADJOURNED, PRIOR TO THE ADJOURNED MEETING. PROXIES CAN BE DELIVERED BY HAND TO THE CHAIR PRIOR TO THE COMMENCEMENT OF THE UNSECURED CREDITORS MEETING. AFTER COMMENCEMENT OF THE UNSECURED CREDITORS MEETING, NO PROXIES CAN BE ACCEPTED BY THE MONITOR OR THE CHAIR.

11. The Petitioner Parties and the Monitor are authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and executed and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meetings Order.
12. If a Convenience Share Election Form is filed by a Convenience Creditor in accordance with the Meetings Order, such Convenience Share Election Form shall void any proxies previously or subsequently filed by such Convenience Creditor and such Convenience Creditor shall be deemed to have voted in favour of the resolution to approve the Plan and shall not be entitled to vote at the Unsecured Creditors Meeting, whether in person or by proxy.
13. If a Cash Election Form is filed by a General Unsecured Creditor in accordance with the Meetings Order, such Cash Election Form shall void any proxies previously or subsequently filed by such General Unsecured Creditor and such General Unsecured Creditor shall be deemed to have voted in favour of the resolution to approve the Plan and shall not be entitled to vote at the Unsecured Creditors Meeting, whether in person or by proxy.

**SCHEDULE "G" TO MEETINGS ORDER
FORM OF PROXY – UNSECURED NOTEHOLDERS PROXY
(Attached)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CATALYST PAPER CORPORATION, CATALYST PAPER GENERAL
PARTNERSHIP AND THE PETITIONERS LISTED IN SCHEDULE "A" TO
THE MEETINGS ORDER

BENEFICIAL NOTEHOLDER VOTING INSTRUCTION FORM

UNSECURED NOTEHOLDER
7 3/8% SENIOR NOTES DUE 2014
CUSIP: 65653RAG8

VOTING RECORD DATE: MARCH 16, 2012
VOTING DEADLINE DATE: APRIL 20, 2012 BEFORE 4 P.M. NYC TIME

Before completing this voting instruction form, please read carefully the accompanying Instructions For Completion of Voting Instruction Form. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as may be amended, restated or supplemented from time to time, the "**Plan**") and filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Supreme Court of British Columbia (the "**Court**").

In accordance with the Plan, this voting instruction form may only be completed by Unsecured Noteholders having an Allowed Claim or a Disputed Claim ("**Eligible Voting Creditors**"). This voting instruction form should be returned to your nominee, bank or broker (the "**Nominee**"), and the information contained in this voting instruction form will be used by the Nominee in completing the Master Proxy that it will submit in connection with the Plan.

In connection with the Master Proxy, the Nominee will appoint Neil Bunker of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion, may designate (the "**Monitor Proxy**") to attend on behalf of and act for the Nominee at the Unsecured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Unsecured Noteholders Meeting, and to vote the amount of your claim(s), as listed in Item 1 below (or as otherwise affixed to this voting instruction form), for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan. If you do not want the Nominee to appoint the Monitor Proxy to act on the Nominee's behalf with respect to your claims, you should contact the Nominee and you should not complete this voting instruction form.

Item 1. Amount of Unsecured Notes to be Voted at the Meeting

Your bank or broker may have affixed a label to this voting instruction form listing the aggregate principal amount of Unsecured Notes that you held as of the Voting Record Date. If no label has been included, please list the aggregate principal amount of Unsecured Notes held by you as of the Voting Record Date, March 16, 2012:

CUSIP: 65653RAG8

Principal (Par) Amount Held: _____

Item 2. Vote

A. The undersigned directs the Nominee to vote on his/her behalf as follows (mark one only):

- ☐ Vote **FOR** approval of the Plan; or
- ☐ Vote **AGAINST** approval of the Plan.

(If a box is not marked as a vote for or against approval of the Plan pursuant to this Item 2, this voting instruction form shall be voted **FOR** approval of the Plan.)

- and -

- B. In respect of the Eligible Voting Creditor's claim(s), as listed in Item 1 above (or as otherwise affixed to this voting instruction form), the undersigned directs the Nominee to appoint the Monitor Proxy (i) to attend on behalf of and act for the Nominee at the Unsecured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Unsecured Noteholders Meeting, and to vote the amount of the undersigned's claim(s), as listed in Item 1 above (or as otherwise affixed to this voting instruction form), for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Unsecured Noteholders Meeting or any adjournment, postponement or other rescheduling of the Unsecured Noteholders Meeting.

Item 4. *Certification.*

By returning this voting instruction form, the holder of the Unsecured Notes evidenced hereby certifies that (a) it has full power and authority to vote for or against the Plan, (b) it was an Eligible Voting Creditor as of March 16, 2012, (c) it has received a copy of the Information Circular and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Information Circular, (d) it authorizes its nominee to treat this voting instruction form as a direction to include it on the Master Proxy.

Name of Beneficial Holder (print):					
Bank or Broker with Custody of My Unsecured Notes:					
Signature: X				Date:	
Authorized Contact:				Title:	
Address:					
City:		State/Province:		Zip/Postal:	
Telephone:		E-Mail:			

INSTRUCTIONS FOR COMPLETION OF VOTING INSTRUCTION FORM

2. This voting instruction form should be read in conjunction with the Plan, the Information Circular and the Meetings Order.
3. Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of the Eligible Voting Creditor at the Unsecured Noteholders Meeting. If you do not want the Nominee to appoint the Monitor Proxy to act on the Nominee's behalf with respect to your claims, you should contact the Nominee and you should not complete this voting instruction form.
4. An Eligible Voting Creditor who has completed a voting instruction form may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by delivering written notice to the Monitor and Globic, in its capacity as Solicitation Agent, unless such Eligible Voting Creditor has agreed otherwise.
5. If this voting instruction form is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Nominee.
6. A valid voting instruction form from the same Eligible Voting Creditor bearing or deemed to bear a later date shall revoke this voting instruction form. If more than one valid voting instruction form from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such voting instruction forms shall not be counted for the purposes of the vote.
7. This voting instruction form must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor's behalf or, if the Eligible Voting Creditor is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust, you may be required to provide documentation evidencing your power and authority to sign this voting instruction form.
8. If this voting instruction form was delivered to you with a return envelope, please return it in the envelope provided to you.

9. **ALL MASTER PROXYS MUST BE RECEIVED BY THE SOLICITATION AGENT BY NO LATER THAN 4:00 P.M. (PREVAILING NEW YORK CITY TIME) ON APRIL 20, 2012 OR, IF THE NOTEHOLDERS' MEETING IS ADJOURNED, BY THE LAST BUSINESS DAY PRECEDING THE DATE TO WHICH IT IS ADJOURNED. PLEASE ALLOW SUFFICIENT TIME FOR YOUR VOTING INSTRUCTION FORM TO REACH THE NOMINEE AND FOR THE NOMINEE TO PROCESS AND SUBMIT THE MASTER PROXY TO THE SOLICITATION AGENT BEFORE THE VOTING DEADLINE.**
10. If you have any questions regarding this voting instruction form, please call Robert Stevens of Globic Advisors, in its capacity as Solicitation Agent, at 1-800-974-5771.
11. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any voting instruction form / Master Proxy is completed and executed and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meetings Order.

SCHEDULE "H" TO MEETINGS ORDER
FORM OF PROXY – UNSECURED NOTEHOLDERS MASTER PROXY
(Attached)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CATALYST PAPER CORPORATION, CATALYST PAPER GENERAL
PARTNERSHIP AND THE PETITIONERS LISTED IN SCHEDULE "A" TO
THE MEETINGS ORDER**

MASTER PROXY
(FOR USE BY NOMINEE, BANK OR BROKERS)

UNSECURED NOTEHOLDER
7 3/8% SENIOR NOTES DUE 2014
CUSIP: 65653RAG8

VOTING RECORD DATE: MARCH 16, 2012
VOTING DEADLINE DATE: APRIL 20, 2012 BEFORE 4 P.M. NYC TIME

INSTRUCTIONS: DTC Participants holding the above-referenced securities through DTC should complete this Master Proxy on their own behalf or on behalf of the persons for whom they hold the securities, and return this Master Proxy to Globic Advisors, as directed below, before the Voting Deadline Date. **Beneficial Owners** of Unsecured Notes held through a brokerage firm, trust company or other nominee should not use this Master Proxy. Such beneficial owners should contact the Monitor or their nominee, bank or broker or Globic Advisors to obtain a copy of a voting instruction form.

FOR ASSISTANCE in completing this form or for additional materials, please contact Robert Stevens of Globic Advisors, in its capacity as Solicitation Agent, at 1-212-201-5346.

STEP 1: APPOINTMENT OF PROXY / VOTE OF UNSECURED NOTEHOLDERS

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

A) in respect of the Eligible Voting Creditor's claim(s), as listed below, Neil Bunker of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion, may designate (the "**Monitor Proxy**") (i) to attend on behalf of and act for the Eligible Voting Creditor at the Unsecured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Unsecured Noteholders Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) in the manner indicated below for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Unsecured Noteholders Meeting or any adjournment, postponement or other rescheduling of the Unsecured Noteholders Meeting.

CUSIP: 65653RAG8

Votes FOR the Plan		Votes AGAINST the Plan	
Number of Owners	Par Amount	Number of Owners	Par Amount
	\$		\$

B) in respect of the Eligible Voting Creditor's claim(s), as listed below, the applicable individual identified below (i) to attend on behalf of and act for the Eligible Voting Creditor at the Unsecured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Unsecured Noteholders Meeting, and to vote the applicable amount of the Eligible Voting Creditor's claim(s), as listed below, for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Unsecured Noteholders Meeting or any adjournment, postponement or other rescheduling of the Unsecured Noteholders Meeting.

Name of Beneficial Noteholder	Name of Proxy	Principal Amount Held

Please feel free to attach additional schedules as is necessary.

Any claims listed in clause (B) above shall **not** be included in clause (A) above, as it is anticipated that claims referenced in clause (B) above will be voted by the appointed person at the Unsecured Noteholder Meeting.

STEP 2: EXECUTION BY AUTHORIZED SIGNATORY

By signing below, the nominee hereby certifies that (i) the summary is a true and accurate schedule of the beneficial owners as of the Voting Record Date of the Unsecured Notes who have delivered voting instruction forms to the undersigned nominee, if applicable, and (ii) the undersigned nominee is the holder, through a position held at DTC, of the Unsecured Notes set forth above.

Date Submitted: _____, 2012

Participant No. _____

Print Name of Company: _____

Authorized Employee Contact (Print Name): _____

Title: _____ Tel. No.: _____

E-Mail: _____

Signature: X _____

MEDALLION STAMP BELOW

STEP 4. DELIVERY OF MASTER PROXY

Please deliver the Master Proxy via both: (a) facsimile or email transmission; and (b) mail to the following address by the Deadline Date:

Globic Advisors

Attn: Robert Stevens

One Liberty Plaza, 23rd Floor

New York, New York 10006

Telephone: (212) 201-5346, Facsimile: (212) 271-3252 E-mail: rstevens@globic.com

*[Copies of this and other documents
should be retained for your files]*

**DELIVERY OF THIS MASTER PROXY OTHER THAN AS SET FORTH ABOVE WILL NOT
CONSTITUTE A VALID DELIVERY.**

**SCHEDULE "I" TO MEETINGS ORDER
FORM OF PROXY – FIRST LIEN NOTEHOLDER PROXY
(Attached)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CATALYST PAPER CORPORATION, CATALYST PAPER GENERAL
PARTNERSHIP AND THE PETITIONERS LISTED IN SCHEDULE "A" TO
THE MEETINGS ORDER

BENEFICIAL NOTEHOLDER VOTING INSTRUCTION FORM

FIRST LIEN NOTEHOLDERS

11% SENIOR SECURED NOTES DUE 2016

CUSIPs: 14888TAC8, C21847AB1, 14888TAD6, AND C21847AC9

VOTING RECORD DATE: MARCH 16, 2012

VOTING DEADLINE DATE: APRIL 20, 2012 BEFORE 4 P.M. NYC TIME

Before completing this voting instruction form, please read carefully the accompanying Instructions For Completion of Voting Instruction Form. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as may be amended, restated or supplemented from time to time, the "**Plan**") and filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Supreme Court of British Columbia (the "**Court**").

In accordance with the Plan, this voting instruction form may only be completed by First Lien Noteholders having an Allowed Claim or a Disputed Claim ("**Eligible Voting Creditors**"). This voting instruction form should be returned to your nominee, bank or broker (the "**Nominee**"), and the information contained in this voting instruction form will be used by the Nominee in completing the Master Proxy that it will submit in connection with the Plan.

In connection with the Master Proxy, the Nominee will appoint Neil Bunker of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion, may designate (the "**Monitor Proxy**") to attend on behalf of and act for the Nominee at the First Lien Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the First Lien Noteholders Meeting, and to vote the amount of your claim(s), as listed in Item 1 below (or as otherwise affixed to this voting instruction form), for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan. If you do not want the Nominee to appoint the Monitor Proxy to act on the Nominee's behalf with respect to your claims, you should contact the Nominee and you should not complete this voting instruction form.

Item 1. Amount of First Lien Notes to be Voted at the Meeting

Your bank or broker may have affixed a label to this voting instruction form listing the aggregate principal amount of First Lien Notes that you held as of the Voting Record Date. If you have received multiple Beneficial Noteholder Voting Instruction Forms representing several holdings in the below CUSIPs, please execute each Beneficial Noteholder Voting Instruction Form in the manner prescribed by your nominee bank. If no label has been included, please list the aggregate principal amount of First Lien Notes held by you as of the Voting Record Date, March 16, 2012:

CUSIP: 14888TAC8

Principal (Par) Amount Held: _____

CUSIP: C21847AB1

Principal (Par) Amount Held: _____

CUSIP: 14888TAD6

Principal (Par) Amount Held: _____

CUSIP: C21847AC9

Principal (Par) Amount Held: _____

Item 2. Vote

B. The undersigned directs the Nominee to vote on his/her behalf as follows (mark one only):

- ☐ Vote **FOR** approval of the Plan; or
- ☐ Vote **AGAINST** approval of the Plan.

(If a box is not marked as a vote for or against approval of the Plan pursuant to this Item 2, this voting instruction form shall be voted **FOR** approval of the Plan.)

- and -

- B. In respect of the Eligible Voting Creditor's claim(s), as listed in Item 1 above (or as otherwise affixed to this voting instruction form), the undersigned directs the Nominee to appoint the Monitor Proxy (i) to attend on behalf of and act for the Nominee at the First Lien Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the First Lien Noteholders Meeting, and to vote the amount of the undersigned's claim(s), as listed in Item 1 above (or as otherwise affixed to this voting instruction form), for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the First Lien Noteholders Meeting or any adjournment, postponement or other rescheduling of the First Lien Noteholders Meeting.

Item 4. *Certification.*

By returning this voting instruction form, the holder of the First Lien Notes evidenced hereby certifies that (a) it has full power and authority to vote for or against the Plan, (b) it was an Eligible Voting Creditor as of March 16, 2012, (c) it has received a copy of the Information Circular and understands that

the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Information Circular, (d) it authorizes its nominee to treat this voting instruction form as a direction to include it on the Master Proxy.

Name of Beneficial Holder (print):					
Bank or Broker with Custody of My First Lien Notes:					
Signature: X				Date:	
Authorized Contact:				Title:	
Address:					
City:		State/Province:		Zip/Postal:	
Telephone:		E-Mail:			

INSTRUCTIONS FOR COMPLETION OF VOTING INSTRUCTION FORM

1. This voting instruction form should be read in conjunction with the Plan, the Information Circular and the Meetings Order.
2. Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of the Eligible Voting Creditor at the First Lien Noteholders Meeting. If you do not want the Nominee to appoint the Monitor Proxy to act on the Nominee's behalf with respect to your claims, you should contact the Nominee and you should not complete this voting instruction form.
3. An Eligible Voting Creditor who has completed a voting instruction form may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by delivering written notice to the Monitor and Globic, in its capacity as Solicitation Agent, unless such Eligible Voting Creditor has agreed otherwise.
4. If this voting instruction form is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Nominee.
5. A valid voting instruction form from the same Eligible Voting Creditor bearing or deemed to bear a later date shall revoke this voting instruction form. If more than one valid voting instruction form from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such voting instruction forms shall not be counted for the purposes of the vote.
6. This voting instruction form must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor's behalf or, if the Eligible Voting Creditor is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust, you may be required to provide documentation evidencing your power and authority to sign this voting instruction form.

7. If this voting instruction form was delivered to you with a return envelope, please return it in the envelope provided to you.
8. **ALL MASTER PROXYS MUST BE RECEIVED BY THE SOLICITATION AGENT BY NO LATER THAN 4:00 P.M. (PREVAILING NEW YORK CITY TIME) ON APRIL 20, 2012 OR, IF THE NOTEHOLDERS' MEETING IS ADJOURNED, BY THE LAST BUSINESS DAY PRECEDING THE DATE TO WHICH IT IS ADJOURNED. PLEASE ALLOW SUFFICIENT TIME FOR YOUR VOTING INSTRUCTION FORM TO REACH THE NOMINEE AND FOR THE NOMINEE TO PROCESS AND SUBMIT THE MASTER PROXY TO THE SOLICITATION AGENT BEFORE THE VOTING DEADLINE.**
9. If you have any questions regarding this voting instruction form, please call Robert Stevens of Globic Advisors, in its capacity as Solicitation Agent, at 1-800-974-5771.
10. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any voting instruction form / Master Proxy is completed and executed and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meetings Order.

**SCHEDULE “J” TO MEETINGS ORDER
FORM OF PROXY – FIRST LIEN NOTEHOLDERS MASTER PROXY
(Attached)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CATALYST PAPER CORPORATION, CATALYST PAPER GENERAL
PARTNERSHIP AND THE PETITIONERS LISTED IN SCHEDULE "A" TO
THE MEETINGS ORDER**

MASTER PROXY
(FOR USE BY NOMINEE, BANK OR BROKERS)

FIRST LIEN NOTEHOLDERS
11% SENIOR SECURED NOTES DUE 2016
CUSIPs: 14888TAC8, C21847AB1, 14888TAD6, AND C21847AC9

VOTING RECORD DATE: MARCH 16, 2012
VOTING DEADLINE DATE: APRIL 20, 2012 BEFORE 4 P.M. NYC TIME

INSTRUCTIONS: DTC Participants holding the above-referenced securities through DTC should complete this Master Proxy on their own behalf or on behalf of the persons for whom they hold the securities, and return this Master Proxy to Globic Advisors, as directed below, before the Voting Deadline Date. **Beneficial Owners** of First Lien Notes held through a brokerage firm, trust company or other nominee should not use this Master Proxy. Such beneficial owners should contact the Monitor or their nominee, bank or broker or Globic Advisors to obtain a copy of a voting instruction form.

FOR ASSISTANCE in completing this form or for additional materials, please contact Robert Stevens of Globic Advisors, in its capacity as Solicitation Agent, at 1-212-201-5346.

STEP 1: APPOINTMENT OF PROXY / VOTE OF FIRST LIEN NOTEHOLDERS

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

A) in respect of the Eligible Voting Creditor's claim(s), as listed below, Neil Bunker of PricewaterhouseCoopers Inc., in its capacity as Monitor, or such other Person as he, in his sole discretion, may designate (the "**Monitor Proxy**") (i) to attend on behalf of and act for the Eligible Voting Creditor at the First Lien Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the First Lien Noteholders Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) in the manner indicated below for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the First Lien Noteholders Meeting or any adjournment, postponement or other rescheduling of the First Lien Noteholders Meeting.

CUSIP: 14888TAC8

Votes FOR the Plan		Votes AGAINST the Plan	
Number of Owners	Par Amount	Number of Owners	Par Amount
	\$		\$

CUSIP: C21847AB1

Votes FOR the Plan		Votes AGAINST the Plan	
Number of Owners	Par Amount	Number of Owners	Par Amount
	\$		\$

CUSIP: 14888TAD6

Votes FOR the Plan		Votes AGAINST the Plan	
Number of Owners	Par Amount	Number of Owners	Par Amount
	\$		\$

CUSIP: C21847AC9

Votes FOR the Plan		Votes AGAINST the Plan	
Number of Owners	Par Amount	Number of Owners	Par Amount
	\$		\$

B) in respect of the Eligible Voting Creditor's claim(s), as listed below, the applicable individual identified below (i) to attend on behalf of and act for the Eligible Voting Creditor at the First Lien Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the First Lien Noteholders Meeting, and to vote the applicable amount of the Eligible Voting Creditor's claim(s), as listed below, for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the First Lien Noteholders Meeting or any adjournment, postponement or other rescheduling of the First Lien Noteholders Meeting.

Name of Beneficial Noteholder	Name of Proxy	Principal Amount Held / CUSIP

Please feel free to attach additional schedules as is necessary.

Any claims listed in clause (B) above shall **not** be included in clause (A) above, as it is anticipated that claims referenced in clause (B) above will be voted by the appointed person at the First Lien Noteholder Meeting.

STEP 2: EXECUTION BY AUTHORIZED SIGNATORY

By signing below, the nominee hereby certifies that (i) the summary is a true and accurate schedule of the beneficial owners as of the Voting Record Date of the First Lien Notes who have delivered voting instruction forms to the undersigned nominee, if applicable, and (ii) the undersigned nominee is the holder, through a position held at DTC, of the First Lien Notes set forth above.

Date Submitted: _____, 2012

Participant No. _____

Print Name of Company: _____

Authorized Employee Contact (Print Name): _____

Title: _____ **Tel. No.:** _____

E-Mail: _____

Signature: X _____

MEDALLION STAMP BELOW

STEP 4. DELIVERY OF MASTER PROXY

Please deliver the Master Proxy via both: (a) facsimile or email transmission; and (b) mail to the following address by the Deadline Date:

Globic Advisors

Attn: Robert Stevens

One Liberty Plaza, 23rd Floor

New York, New York 10006

Telephone: (212) 201-5346, Facsimile: (212) 271-3252 E-mail: rstevens@globic.com

*[Copies of this and other documents
should be retained for your files]*

**DELIVERY OF THIS MASTER PROXY OTHER THAN AS SET FORTH ABOVE WILL NOT
CONSTITUTE A VALID DELIVERY.**

**SCHEDULE “K” TO MEETINGS ORDER
CASH ELECTION FORM
(Attached)**

**CASH ELECTION FORM
FOR GENERAL UNSECURED CREDITORS
THAT ARE NOT CONVENIENCE CREDITORS**

ALL GENERAL UNSECURED CREDITORS WITH AN ALLOWED CLAIM OR DISPUTED CLAIM (IN THE EVENT SUCH DISPUTED CLAIM IS SUBSEQUENTLY ALLOWED) IN EXCESS OF CAD\$10,000 AND WHO WISH TO RECEIVE A CASH PAYMENT AS PROVIDED IN THE PLAN (INSTEAD OF SHARES OR WARRANTS) IN FULL AND FINAL SATISFACTION OF SUCH CLAIM, MUST COMPLETE AND DELIVER THIS ELECTION FORM TO THE MONITOR BY THE DEADLINE SET OUT BELOW.

TO: PRICEWATERHOUSECOOPERS INC., Monitor of Catalyst Paper Corporation, the Other Petitioners Listed in Schedule "A" to the Meetings Order and Catalyst Paper General Partnership (collectively, the "Petitioner Parties")

In connection with the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 pursuant to the *Companies' Creditors Arrangement Act* (as the same may be amended, restated or supplemented from time to time, the "**Plan**"), the undersigned General Unsecured Creditor is not a Convenience Creditor and hereby irrevocably elects for his, her or its Claim to be reduced to CAD\$10,000 for distribution purposes so that he, she or it can receive a cash payment in full and final satisfaction of such Claim. All initially capitalized terms used in this Cash Election Form shall have the meanings given to them in the Plan.

The undersigned General Unsecured Creditor acknowledges that by making this election, it will be considered a "Convenience Creditor" under the Plan, meaning that upon a distribution under the Plan, it will, together with all other Convenience Creditors, be entitled to receive 50% of its Allowed Claim (as reduced to CAD\$10,000) in full and final satisfaction of its Claim.

The undersigned General Unsecured Creditor further acknowledges that the aggregate distribution under the Plan to all Convenience Creditors (including those who elect to be treated as such) is limited to a maximum of CAD\$2,500,000. The undersigned General Unsecured Creditor acknowledges that, should the proposed distributions to all Convenience Creditors and Cash Electing Creditors exceed this amount, it will receive, in addition to the cash payment permitted by the above, its pro rata share based on the balance of its Claim of certain New Common Shares and Warrants in full and final satisfaction of its Claim.

The undersigned General Unsecured Creditor hereby acknowledges that while the value of its Allowed Claim for purposes of voting on the Plan shall be equal to its Allowed Claim, for distribution purposes it shall be deemed to be CAD\$10,000. The undersigned General Unsecured Creditor hereby further acknowledges that it shall be deemed to vote such Allowed Claim in favour of a resolution to approve the Plan at the Unsecured Creditors Meeting and that it shall not be entitled to vote at the Unsecured Creditors Meeting, whether in person or by proxy. For the avoidance of doubt, this Cash Election Form voids any prior or subsequent proxies delivered to the Monitor.

TO THE EXTENT THAT A GENERAL UNSECURED CREDITOR WITH AN ALLOWED CLAIM OR DISPUTED CLAIM (IN THE EVENT SUCH DISPUTED

CLAIM IS SUBSEQUENTLY ALLOWED) IN EXCESS OF CAD\$10,000 WHO COMPLETES THIS CASH ELECTION FORM, SUCH GENERAL UNSECURED CREDITOR'S CLAIM SHALL BE DEEMED TO BE REDUCED TO CAD\$10,000 AND THAT IT SHALL RECEIVE A DISTRIBUTION UNDER THE PLAN AS A "CONVENIENCE CREDITOR" IN FULL AND FINAL SATISFACTION OF ITS CLAIM. SUCH GENERAL UNSECURED CREDITOR SHALL BE DEEMED TO VOTE IN FAVOUR OF THE RESOLUTION TO APPROVE THE PLAN AND SHALL NOT BE ENTITLED TO VOTE AT THE UNSECURED CREDITORS MEETING IRRESPECTIVE OF WHETHER SUCH GENERAL UNSECURED CREDITOR FILES A PROXY BEFORE OR AFTER DELIVERING THIS CASH ELECTION FORM.

DATED this _____ day of _____, 2012

(Print Legal Name of General Unsecured Creditor)

(Amount of Allowed Claim)

(Amount of Disputed Claim)

(Print Name, Title and Phone Number of Authorized Signatory)

(Signature)

This Cash Election Form must be duly completed and received by PricewaterhouseCoopers Inc. by no later than 1:00 p.m. (prevailing Pacific time) on April 20, 2012 or, if the Unsecured Creditors Meeting is adjourned, by the last Business Day preceding the date to which it is adjourned, at the following address:

PricewaterhouseCoopers Inc.,
Court-appointed Monitor of Catalyst Paper Corporation et al.
250 Howe Street, Suite 700
Vancouver, British Columbia V6C 3S7
Attention: Patricia Marshall
Telephone: 604-806-7070
Fax: 604-806-7806
Email: catalystclaims@ca.pwc.com

**SCHEDULE “L” TO MEETINGS ORDER
CONVENIENCE SHARE ELECTION FORM
(Attached)**

CONVENIENCE SHARE ELECTION FORM

ALL CREDITORS WITH AN ALLOWED CLAIM OR DISPUTED CLAIM (IN THE EVENT SUCH DISPUTED CLAIM IS SUBSEQUENTLY ALLOWED) EQUAL TO, OR LESS THAN, CAD\$10,000 WISHING TO OPT OUT OF THE CONVENIENCE CLASS, MEANING THEY WISH TO RECEIVE THEIR PRO RATA SHARE OF 20% OF THE NEW COMMON STOCK AND WARRANTS SUBJECT TO THE TERMS OF THE PLAN, INSTEAD OF A CASH PAYMENT AS PROVIDED IN THE PLAN, MUST COMPLETE AND DELIVER THIS ELECTION FORM TO THE MONITOR BY THE DEADLINE SET OUT BELOW.

TO: PRICEWATERHOUSECOOPERS INC., Monitor of Catalyst Paper Corporation, the other Petitioners Listed in Schedule "A" to the Meetings Order and Catalyst Paper General Partnership (collectively, the "Petitioner Parties")

In connection with the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 pursuant to the *Companies' Creditors Arrangement Act* (as the same may be amended, restated or supplemented from time to time, the "**Plan**"), the undersigned Convenience Creditor hereby irrevocably elects to receive its pro rata share of 20% of the New Common Stock and the Warrants (as defined in the Plan) in accordance with and on the terms of the Plan, in full and final satisfaction of its Allowed Claim(s). All initially capitalized terms used herein shall have the meanings given to them in the Plan.

The undersigned Convenience Creditor hereby acknowledges that it shall be deemed to vote in favour of a resolution to approve the Plan at the Unsecured Creditors Meeting and that it shall not be entitled to vote at the Unsecured Creditors Meeting, whether in person or by proxy.

For the avoidance of doubt, this Convenience Share Election Form voids any prior or subsequent proxies delivered to the Monitor.

TO THE EXTENT THAT A CONVENIENCE CREDITOR WITH AN ALLOWED CLAIM OR DISPUTED CLAIM (IN THE EVENT SUCH DISPUTED CLAIM IS SUBSEQUENTLY ALLOWED) EQUAL TO, OR LESS THAN, CAD\$10,000 COMPLETES AND SUBMITS THIS CONVENIENCE SHARE ELECTION FORM, SUCH CONVENIENCE CREDITOR SHALL BE DEEMED TO HAVE OPTED OUT OF THE CONVENIENCE CLASS, SHALL BE DEEMED TO VOTE IN FAVOUR OF THE RESOLUTION TO APPROVE THE PLAN AND SHALL NOT BE ENTITLED TO VOTE AT THE UNSECURED CREDITORS MEETING IRRESPECTIVE OF WHETHER SUCH CONVENIENCE CREDITOR FILES A PROXY BEFORE OR AFTER DELIVERING THIS CONVENIENCE SHARE ELECTION FORM.

DATED this _____ day of _____, 2012

(Print Legal Name of Unsecured Creditor)

(Amount of Allowed Claim)

(Amount of Disputed Claim)

(Print Name, Title and Phone Number of Authorized Signatory)

(Signature)

This Convenience Share Election Form must be duly completed and received by PricewaterhouseCoopers Inc. by no later than 1:00 p.m. (prevailing Pacific time) on April 20, 2012 or, if the Unsecured Creditors Meeting is adjourned, by the last Business Day preceding the date to which it is adjourned, at the following address:

PricewaterhouseCoopers Inc.,
Court-appointed Monitor of Catalyst Paper Corporation et al.
250 Howe Street, Suite 700
Vancouver, British Columbia V6C 3S7
Attention: Patricia Marshall
Telephone: 604-806-7070
Fax: 604-806-7806
Email: catalystclaims@ca.pwc.com

**SCHEDULE “M” TO MEETINGS ORDER
FORM OF NEWSPAPER NOTICE
(Attached)**

**NOTICE OF THE MEETINGS OF CREDITORS OF CATALYST PAPER
CORPORATION AND THE OTHER PETITIONERS LISTED BELOW**
(collectively, the "Petitioner Parties")

Catalyst Paper General Partnership
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

This notice is being published pursuant to the order of the Supreme Court of British Columbia, Vancouver Registry (the "**Court**") dated March 22, 2012 (the "**Meetings Order**") which established the procedures for the Petitioner Parties to call, hold and conduct meetings of certain of their unsecured and secured creditors (together, the "**Meetings**") to consider and pass resolutions, if thought advisable, approving the Plan of Compromise and Arrangement of the Petitioner Parties dated as of March 15, 2012 (as the same may be amended, restated or supplemented from time to time, the "**Plan**") and to transact such other business as may be properly brought before the Meetings. The Meetings will be held at the following times and location:

Date: April 23, 2012

Time: 10:00 a.m. (prevailing Pacific time) – Unsecured Class
11:00 a.m. (prevailing Pacific time) – First Lien Notes Class

Location: Delta Vancouver Airport Hotel, 3500 Cessna Drive, Vancouver, British Columbia, V7B 1C7

ONLY THOSE CREDITORS:

- (1) WHO HAVE SUBMITTED A PROOF OF CLAIM IN ACCORDANCE WITH THE TERMS OF THE CLAIMS PROCEDURE ORDER DATED MARCH 22, 2012 (and who have not filed a Cash Election Form or a Convenience Share Election Form);**
- (2) ARE HOLDERS OF THE FIRST LIEN AND/OR UNSECURED NOTES ISSUED BY CATALYST PAPER CORPORATION; OR**

(3) WHO HAVE RECEIVED A CLAIM AMOUNT NOTICE FROM THE MONITOR IN ACCORDANCE WITH THE CLAIMS PROCEDURE ORDER (and who have not filed a Cash Election Form or a Convenience Share Election Form),

SHALL BE ENTITLED TO ATTEND AND VOTE ON THE RESOLUTIONS TO APPROVE THE PLAN AT THE APPLICABLE MEETING.

Unsecured Creditors that file a Cash Election Form and Convenience Creditors that file a Convenience Share Election Form shall be deemed to vote in favour of the resolution to approve the Plan and shall not be entitled to vote at the Unsecured Creditors Meeting.

The Petitioner Parties may bring an application, if necessary, for an Order that any General Unsecured Creditor (that is not a Convenience Share Election Creditor or a Cash Election Creditor) and any Unsecured Noteholder, who does not vote in person or by proxy, shall be deemed to vote in favour of the resolution to approve the Plan to the extent of his or her or its Allowed Claim.

Creditors may obtain copies of the Plan and more information about the Plan, any amendments that may be made to the Plan and the Meetings on the Monitor's website at www.pwc.com/car-catalystpaper or by contacting the Monitor by telephone at 604-806-7070 or by email at catalystclaims@ca.pwc.com.

If the Plan is approved by the required majority of the Petitioner Parties' creditors in accordance with the *Companies' Creditors Arrangement Act*, and the Meetings Order, the Petitioner Parties intend to bring an application to the Court on April 25, 2012 for approval of an Order sanctioning the Plan.

**SCHEDULE “N” TO MEETINGS ORDER
PLAN RESOLUTION – UNSECURED CLASS
(Attached)**

**PLAN RESOLUTION FOR THE UNSECURED CLASS OF
CATALYST PAPER CORPORATION, THE OTHER PETITIONERS LISTED IN
SCHEDULE "A" TO THE MEETINGS ORDER AND CATALYST PAPER GENERAL
PARTNERSHIP
(collectively, the "Petitioner Parties")**

**Plan of Compromise and Arrangement
under the *Companies' Creditors Arrangement Act***

Capitalized terms used and not defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement dated as of March 15, 2012 filed by the Petitioner Parties under the *Companies' Creditors Arrangement Act*, as may be amended, restated or supplemented (the "Plan").

BE IT RESOLVED THAT:

1. the Plan presented to Unsecured Eligible Voting Creditors at the Unsecured Creditors Meeting be and hereby is authorized and approved;
2. notwithstanding that this resolution has been passed and the Plan has been approved by the Unsecured Creditors and the Court, the directors of the Petitioner Parties be and hereby are authorized and empowered to amend or not proceed with this resolution in accordance with the Plan; and
3. any directors or officers of the Petitioner Parties are hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of the applicable Petitioner Party (but not the creditors), to execute, or cause to be executed under the seal of such Petitioner Party or otherwise, and to deliver or cause to be delivered for, on behalf of and in the name of such Petitioner Party, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such director or officer of such documents, agreements or instruments or the doing of any such act or thing.

**SCHEDULE "O" TO MEETINGS ORDER
PLAN RESOLUTION – FIRST LIEN NOTES CLASS
(Attached)**

**PLAN RESOLUTION FOR THE SECURED NOTEHOLDERS' CLASS OF
CATALYST PAPER CORPORATION, THE OTHER PETITIONERS LISTED IN
SCHEDULE "A" TO THE MEETINGS ORDER AND CATALYST PAPER GENERAL
PARTNERSHIP
(collectively, the "Petitioner Parties")**

**Plan of Compromise and Arrangement
under the *Companies' Creditors Arrangement Act***

Capitalized terms used and not defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement dated as of March 15, 2012 filed by the Petitioner Parties under the *Companies' Creditors Arrangement Act*, as may be amended, restated or supplemented (the "Plan").

BE IT RESOLVED THAT:

1. the Plan presented to the First Lien Noteholders at the First Lien Noteholders Meeting be and hereby is authorized and approved;
2. notwithstanding that this resolution has been passed and the Plan has been approved by the First Lien Noteholders and the Court, the directors of the Petitioner Parties be and hereby are authorized and empowered to amend or not proceed with this resolution in accordance with the Plan; and
3. any directors or officers of the Petitioner Parties are hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of the applicable Petitioner Party (but not the creditors), to execute, or cause to be executed under the seal of such Petitioner Party or otherwise, and to deliver or cause to be delivered for, on behalf of and in the name of such Petitioner Party, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such director or officer of such documents, agreements or instruments or the doing of any such act or thing.

No.
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

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

AND IN THE MATTER OF CATALYST PAPER
CORPORATION AND THOSE CORPORATIONS
DESCRIBED IN THE ATTACHED SCHEDULE
"A"

PETITIONERS

MEETINGS ORDER

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