

No. S-120712
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

NOTICE OF APPLICATION

Name(s) of applicant(s): Canadian National Railway Company

To: Those Parties on the Service List

TAKE NOTICE that an application will be made by the applicant to the presiding judge or master at the Courthouse at Law Courts, Robson Square, 800 Smithe Street, Vancouver BC, on 04/Apr/2012 at 9:45 a.m. for the order set out in Part 1 below.

PART 1: ORDERS SOUGHT

1. An order setting aside the Order pronounced herein by Mr. Justice Sewell on February 6, 2012 which designated certain parties "Critical Suppliers" (the "Critical Supplier Order") generally, or in the alternative, specifically as it relates to Canadian National Railway Company.

PART 2: FACTUAL BASIS

1. On February 6, 2012 Mr. Justice Sewell made the Critical Supplier Order which declared that certain suppliers, including Canadian National Railway Company ("CN") were

Critical Suppliers and would be required to supply product to the Petitioner Parties on certain credit terms, pursuant to s. 11.4 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA");

2. The Critical Supplier Order specifically granted leave to any Critical Supplier to file and serve a Notice of Application any time after March 11, 2012, seeking to amend or rescind the terms of the Critical Supplier Order as it applies to such Critical Supplier, and further provided that the onus of maintaining the Critical Supplier Order would be on the Petitioner Parties;
3. Despite the importance of the March 11, 2012 date, in its 4th Report dated March 7, 2012 the Monitor indicated that it would provide a revised report on cash flow by March 23, 2012. Despite repeated requests for information by certain Critical Suppliers, and repeated requests for an explanation why the report was not to be delivered on March 11, 2012, the report was finally delivered, without explanation or answers to the further questions, on March 27, 2012 (being the 7th Report of the Monitor).
4. Despite the Monitor being supportive of the continuation of the Critical Supplier Order, the 7th Report of the Monitor indicates sufficient cash flow such that the extraordinary remedy granted by the court on February 6, 2012 should not be continued in any form.

PART 3: LEGAL BASIS

1. s. 11.4 of the CCAA;
2. *Canada Transportation Act*, S.C. 1996, c. 10, s. 113; and
3. the inherent jurisdiction of this Honourable Court.

PART 4: MATERIAL TO BE RELIED ON

1. Monitor's 7th Report to the Court dated March 27, 2012;
2. Affidavit #1 of Pierre-Louis Pottie sworn April 3, 2012;
3. Such further and other material as counsel may request and this Honourable Court considers just.

The applicant estimates that the application will be opposed and will take approximately 2 hours to be heard.

[] This matter is within the jurisdiction of a master.

[x] This matter is not within the jurisdiction of a master. This matter is to be heard before Mr. Justice Sewell, who is seized of this matter.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within five business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within eight business days after service of this Notice of Application:

- (a) file an Application Response in Form 33;

- (b) file the original of every affidavit, and of every other document, that:
 - (i) you intend to refer to at the hearing of this application; and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant two copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: 03/Apr/12



Signature of Lawyer for the Applicant

Stephen R. Ross
Counsel for Canadian National Railway
Company

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Notice of Application.

with the following variations and additional terms:

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.....

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Date:

.....

Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

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SRR

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Attention: Stephen R. Ross