

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

APPLICATION RESPONSE

Application response of: The Petitioners (the "Application Respondents")

THIS IS A RESPONSE TO the notice of application of Canadian National Railway Corporation dated April 3, 2012.

Part 1: ORDER CONSENTED TO

N/A

Part 2: ORDERS OPPOSED

The application respondents oppose the granting of the orders set out in paragraph 1 of Part 1 of the notice of application.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

N/A

Part 4: FACTUAL BASIS

1. On February 6, 2012, the Court granted an order deeming certain of the Company's suppliers as "critical suppliers", pursuant to s. 11.4 of the CCAA (the "Critical Supplier Order").
2. The Critical Suppliers are necessary to the operations of the Company in support of its restructuring efforts.

Part 5: LEGAL BASIS

1. *Supreme Court Civil Rules*, Rule 8-1, 13-1; and
2. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended; and
3. The inherent and equitable jurisdiction of the Court.

Part 6: MATERIAL TO BE RELIED ON

4. The pleadings filed herein;
5. Affidavit #1 of Brian Baarda made January 31, 2012;
6. Affidavit #1 of Robert Lindstrom made February 1, 2012;
7. Affidavit #2 of Robert Lindstrom made February 6, 2012; and
8. Affidavit #4 of Robert Lindstrom made April __, 2012.

The application respondents estimate that the application will take 1 day.

[X] The application respondent has filed in this proceeding a document that contains the application respondent's address for service.

Date: April 3, 2012



Signature of
 application respondent
 lawyer for application respondents
 Bill Kaplan, Q.C.

for

SCHEDULE "A"

LIST OF ADDITIONAL PETITIONERS

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