

No. S120712
Vancouver Registry

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

AND

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

AND

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

AND

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

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MR. JUSTICE SEWELL) 17/April/2012
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 17th day of April, 2012; AND ON HEARING Peter Rubin and Anthony Purgas, counsel for the Petitioners, Kibben Jackson, counsel for the Monitor PricewaterhouseCoopers Inc., and those other counsel listed in **Schedule "B"** hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today.

MEETINGS ORDER

2. Paragraph 21 of the Meetings Order of the Court dated March 22, 2012 (the "**Meetings Order**") shall be deleted in its entirety and replaced with the following:

21. The Petitioner Parties are hereby authorized and directed to call, hold and conduct a separate meeting for each Class of Creditors ^{on} May 2, 2012, at the Delta Vancouver Airport Hotel, 3500 Cessna Drive, ^{Richmond, BC} ~~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.

3. Paragraphs 40 and 41 of the Meetings Order shall be deleted in their entirety and replaced with the following:

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 the day that is one Business Day before the meeting date set pursuant to paragraph 21 of this

Order. 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 the day that is one Business Day before the meeting date set pursuant to paragraph 21 of this Order, 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 the day that is one Business Day before the meeting date set pursuant to paragraph 21 of this Order. 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 the day that is one Business Day before the meeting date set pursuant to paragraph 21 of this Order, 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.

4. Paragraph 57 of the Meetings Order shall be deleted in its entirety and replaced with the following:

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 May 7, 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**”).

5. Paragraph 59 of the Meetings Order shall be deleted in its entirety and replaced with the following:

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 the Business Day before the Sanction Hearing: (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.

CLAIMS PROCEDURE ORDER

6. Subparagraph (zz) of Schedule “C” the Claims Procedure Order of the Court dated March 22, 2012 shall be deleted in its entirety and replaced with the following:

(zz) “**Meeting Date**” means May 2, 2012, or such later date as may be set pursuant to the Meetings Order;

SISP ORDER

7. Paragraph 2 of the Sale and Investor Solicitation Order of the Court dated March 22, 2012, as amended shall be deleted in its entirety and replaced with the following:

2. In the event that: (a) the requisite statutory thresholds of support for approval of the Plan, as defined in the Meetings Order of this Court dated March 22, 2012 (the “**Meetings Order**”), are not obtained by May 2, 2012, or such later meeting date as may be set pursuant to the Meetings Order; and an application to deem certain non-voting Unsecured Creditors to have voted in favour of the Plan would not result in meeting such statutory thresholds of support; or (b) the Plan is not sanctioned by the Court on or before

May 7, 2012, or such later date as may be set pursuant to the Meetings Order (either occurrence hereinafter referred to as a “**Plan Failure**”), the Petitioner Parties are hereby authorized and directed to commence the SISP within two (2) Business Days thereafter. In the event that the Petitioner Parties fail to commence the SISP in accordance with its terms within such time (the “**SISP Default**”), the Monitor is authorized and directed to commence the SISP within one (1) Business Day of such failure.

APPROVAL

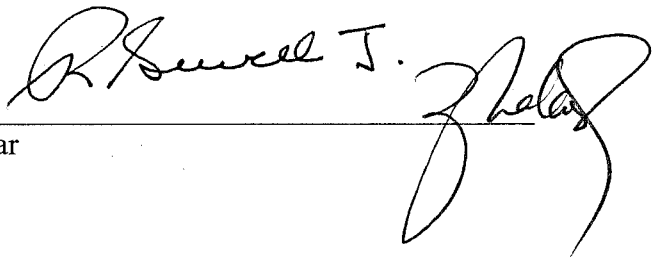
8. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

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



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

BY THE COURT.



Registrar

Schedule "A"

LIST OF ADDITIONAL PETITIONERS

Catalyst Pulp Operations Limited

Catalyst Pulp Sales Inc.

Pacifica Poplars Ltd.

Catalyst Pulp and Paper Sales Inc.

Elk Falls Pulp and Paper Limited

Catalyst Paper Energy Holdings Inc.

0606890 B.C. Ltd.

Catalyst Paper Recycling Inc.

Catalyst Paper (Snowflake) Inc.

Catalyst Paper Holdings Inc.

Pacifica Papers U.S. Inc.

Pacifica Poplars Inc.

Pacifica Papers Sales Inc.

Catalyst Paper (USA) Inc.

The Apache Railway Company

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DYE & DURHAM CORPORATION

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April 18/2012

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