

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 SUPPLEMENTAL MEETINGS ORDER

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BENEFICIAL NOTEHOLDER VOTING INSTRUCTION FORM

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**FIRST LIEN NOTEHOLDERS**

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

**VOTING RECORD DATE:** MARCH 16, 2012  
**VOTING DEADLINE DATE:** JUNE 22, 2012 BEFORE 4 P.M. NYC TIME

**IF YOU VOTED ON THE PREVIOUS VERSION OF THE PETITIONER PARTIES' PLAN OF COMPROMISE AND ARRANGEMENT, WHETHER IN PERSON OR BY PROXY, AT THE MEETINGS HELD ON MAY 23, 2012, THAT VOTE WILL BE COUNTED AT THE SECOND MEETINGS AND YOU DO NOT NEED TO VOTE AGAIN AT THE SECOND MEETINGS UNLESS YOU WISH TO CHANGE OR REVOKE YOUR VOTE.**

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 Second Amended and Restated Plan of Compromise and Arrangement of the Petitioner Parties dated as of June 14, 2012 (as may be amended, restated or supplemented from time to time, the "**Second Amended 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 Second Amended 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 Second Amended 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 Supplemental Meetings Order and as set out in the Second Amended 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.

**SHOULD YOU WISH TO CHANGE OR REVOKE YOUR PREVIOUS VOTE, PLEASE CONTACT YOUR BANK OR BROKER PROMPTLY SO THAT THEY MAY REFLECT YOUR AMENDED VOTE IN TIME TO BE RECEIVED BY THE VOTING DEADLINE.**

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

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

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

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

Meetings Order and as set out in the Second Amended Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Second Amended 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 3. 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 Second Amended 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 Second Amended 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: <b>X</b>					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 Second Amended Plan, the Information Circular and the Supplemental 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 may revoke a previously submitted voting instruction form (as to any matter on which a vote has not already been cast pursuant to its authority) by delivering written notice to its Nominee, so that their instruction may be memorialized on your Nominee's Master Proxy to be delivered 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 PROXIES MUST BE RECEIVED BY THE SOLICITATION AGENT BY NO LATER THAN 4:00 P.M. (PREVAILING NEW YORK CITY TIME) ON JUNE 22, 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 Supplemental Meetings Order.
11. **IF YOU PROVIDE A VALID VOTING INSTRUCTION FORM, ANY PREVIOUS VOTING INSTRUCTION FORMS FROM YOU IN SHALL BE REVOKED.**