



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

Names of applicants: Catalyst Paper Corporation and the other Petitioners listed in Schedule "A"

To: The Service List

TAKE NOTICE that an application will be made by the Petitioners to Mr. Justice Sewell at the courthouse at 800 Smith Street, Vancouver, British Columbia on June 25, 2012 at 2:00 p.m. for the orders set out in Part 1 below.

10:00 a.m.

Part 1: ORDERS AND DECLARATIONS SOUGHT

1. An Order, substantially in the draft form attached as **Schedule “B”** hereto, extending the stay of proceedings.

Part 2: FACTUAL BASIS

1. On January 31, 2012, the Court granted an Initial Order (the “**Initial Order**”) in respect of the Petitioners and Catalyst Paper General Partnership (collectively the “**Company**”) providing for a comeback hearing on February 14, 2012 and a stay of proceedings until that same date (the “**Stay**”). The Initial Order appointed PricewaterhouseCoopers Inc. as the monitor of the Company (the “**Monitor**”) in the CCAA proceedings.
2. On February 3, 2012, the Court granted an Order amending and restating the Initial Order. Since that date, various other Orders have been granted by the Court.
3. On February 14, 2012, the Court granted an order extending the Stay to April 30, 2012.
4. On April 19, 2012, the Court granted an order further extending the Stay to June 30, 2012.
5. Pursuant to various orders of this Court: (a) certain creditors of the Company are scheduled to vote on a Second Amended and Restated Plan of Compromise and Arrangement (the “**Second Amended Plan**”) on June 25, 2012; (b) a Sanction Hearing is scheduled for June 28, 2012; and (c) a sales and investor solicitation process is ongoing.
6. As a result of the above, the Stay is required to be extended.
7. The Petitioner Parties have continued to take steps to stabilize the business and have and are acting in good faith and with due diligence. Circumstances exist that make the Orders sought appropriate.

Part 3: LEGAL BASIS

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

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #4 of Brian Baarda, made on February 12, 2012;
2. Affidavit #7 of Brian Baarda, made on April 18, 2012;
3. Affidavit #11 of Brian Baarda, made on June 20, 2012;
4. The pre and post filing reports of the Monitor; and
5. Such further and other materials as counsel may advise and the Court may permit.

The applicants estimate that the application will take 5 minutes.

[] 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 proceeding.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 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

- (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 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: June 20, 2012



Signature of
[] applicant lawyer for applicants
Peter Rubin / Jeff Langlois

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

SCHEDULE "B"

**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

BEFORE THE HONOURABLE)
MR. JUSTICE SEWELL) 25/June/2012
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 25th day of June, 2012; AND ON HEARING Bill Kaplan, Q.C. and Andrew Crabtree, counsel for the Petitioners, John Grieve and 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.

STAY EXTENSION

2. The stay of proceedings provided in the Order of this Court made herein on January 31, 2012, as amended, and extended by Orders of this Court made herein on February 14, 2012 and April 19, 2012, is hereby extended to 11:59 p.m. on September 30, 2012 or such later date this Court may subsequently order.

RECOGNITION

3. 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 assist the Petitioner Parties, the Monitor and the respective agents of each of the foregoing in carrying out the terms of this Order.

APPROVAL

4. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, 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 [X] lawyer for the Petitioner Parties
Bill Kaplan, Q.C./Andrew Crabtree

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

Schedule "B"

Name of Party	Counsel Name

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:

Date: _____

Signature of [] Judge [] Master

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

[Check the box(es) below for the application type(s) included in this application.]

- discovery: comply with demand for documents
- discovery: production of additional documents
- extend oral discovery
- other matter 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