

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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|---------------------------------------|---|-------------------------|
|                                       | X |                         |
|                                       | : |                         |
| In re:                                | : | Chapter 15              |
|                                       | : |                         |
| CATALYST PAPER CORP., <u>et al.</u> , | : | Case No. 12-10221 (PJW) |
|                                       | : |                         |
| Debtors. <sup>1</sup>                 | : | Jointly Administered    |
|                                       | : |                         |
|                                       | X |                         |

**NOTICE OF ENTRY BY CANADIAN COURT OF SNOWFLAKE ORDER**

Catalyst Paper Corporation (“CPC”) in its capacity as foreign representative for the above-captioned debtors (the “Debtors”), by and through its counsel of record, hereby submits this notice of entry of an order (the “Snowflake Order”) by the Supreme Court of British Columbia (the “Canadian Court”) approving the sale of certain of the Debtors’ property located in Washington state, in the Debtors’ proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, before the Canadian Court (the “CCAA Proceeding”).

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<sup>1</sup> These jointly administered cases are those of the following Debtors: 0606890 B.C. Ltd., Catalyst Paper Corporation, Catalyst Paper Energy Holdings Inc., Catalyst Paper General Partnership, Catalyst Pulp and Paper Sales Inc., Catalyst Pulp Operations Ltd., Catalyst Pulp Sales Inc., Elk Falls Pulp and Paper Ltd., and Pacifica Poplars Ltd. (collectively, the “Canadian Debtors”) in addition to Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc., and The Apache Railway Company (collectively, the “U.S. Debtors”).

**PLEASE TAKE NOTICE**, that on March 5, 2012, this Court entered its *Order Granting Final Relief for Recognition of a Foreign Main Proceeding Pursuant to 11 U.S.C. §§ 105(a), 1517, 1519, 1520 and 1521* [Docket No. 89] (the “Recognition Order”), recognizing the CCAA Proceeding as a foreign main proceeding and authorizing CPC to provide notice of orders entered by the Canadian Court to parties in interest consistent with the terms of the Recognition Order. See Recognition Order ¶¶ 2, 9.

**PLEASE TAKE FURTHER NOTICE**, that on August 28, 2012, the Canadian Court issued an order (the “Snowflake Rejection Order”) in connection with the CCAA Proceeding. A true and correct copy of the Snowflake Rejection Order is attached hereto as Exhibit A.

Dated: Los Angeles, California  
August 28, 2012

/s/ Van C. Durrer, II  
Van C. Durrer, II (I.D. No. 3827)  
SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
300 South Grand Avenue  
Los Angeles, California 90071  
(213) 687-5000

Counsel for Catalyst Paper Corporation

## **EXHIBIT A**

### **Snowflake Rejection Order**

AUG 28 2012



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

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)  
)

August 28, 2012

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 28<sup>th</sup> day of August, 2012; AND ON HEARING, Bill Kaplan, Q.C., Jeff Langlois and Andrew Crabtree, counsel for the Petitioner Parties, 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:

1. In accordance with paragraph 13 of this Court's Order dated June 28, 2012, the Petitioner Parties are hereby authorized and directed to take all actions necessary or appropriate to comply

with the August 24, 2012 order of the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) in the Chapter 15 Proceedings (Case No. 12-10221), a copy of which is attached as **Schedule “C”** hereto (the “**Snowflake Order**”). Without limiting the forgoing, the terms of the settlement agreement between Catalyst Paper (Snowflake) Inc. (“**Catalyst Snowflake**”) and Snowflake Power, LLC (“**Snowflake Power**”) as described in the Snowflake Order (the “**Power Agreement**”) are approved and the terms of the Power Agreement will be binding on any successor, assignee or purchaser of Catalyst Snowflake and/or any of its assets.

2. Counterparties (collectively, the “**Snowflake Creditors**”) to those contracts listed in Exhibit “A” to the Snowflake Order (collectively, the “**Snowflake Contracts**”) must file Proofs of Claim (as defined in the Claims Procedure Order, dated March 22, 2012 (the “**Claims Procedure Order**”)) in respect of any claims arising from the rejection of the Snowflake Contracts (the “**Snowflake Claims**”) pursuant to section 365(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) by first-class mail, courier, or personal delivery to either:

- (a) PricewaterhouseCoopers Inc.,  
Court-appointed Monitor of Catalyst Paper Corporation et al.  
250 Howe Street, Suite 700  
Vancouver, British Columbia V6C 3S7  
Canada  
Attention: Patricia Marshall; *or*
- (b) Kurtzman Carson Consultants LLC  
2335 Alaska Avenue  
El Segundo, California 90245  
USA;

so as to be received no later than 4:00 p.m. (prevailing Pacific time) on September 13, 2012 (the “**Snowflake Claims Bar Date**”).

3. Snowflake Claims received on or before the Snowflake Claims Bar Date shall be deemed to be “Restructuring Claims” as defined in the Second Amended and Restated Plan of Compromise and Arrangement of Catalyst Paper Corporation, dated June 14, 2012 (the “**Second Amended Plan**”) and proven Snowflake Claims shall be treated accordingly under the Second Amended Plan.

4. Snowflake Creditors who do not file Snowflake Claims on or before the Snowflake Claims Bar Date are forever barred and extinguished pursuant to paragraph 25 of the Claims Procedure Order, will not receive a distribution in these proceedings, and may not assert or enforce their claims against any of the Petitioner Parties.

5. The Petitioner Parties, in consultation with the Monitor, shall review, and shall accept, revise or disallow, the Snowflake Claims. If the Petitioner Parties wish to revise or disallow a Proof of Claim filed by a Snowflake Creditor, the Petitioner Parties and/or the Monitor shall, by no later than 4:00 p.m. (prevailing Pacific time) on September 24, 2012, send the applicable Snowflake Creditor a Notice of Revision or Disallowance (as defined in the Claims Procedure Order) advising that the Snowflake Claim as set out in its Proof of Claim has been revised or disallowed and the reasons therefor. If neither the Petitioner Parties nor the Monitor send a Notice of Revision or Disallowance to a Snowflake Creditor by such date, then such Snowflake Creditor's Proof of Claim shall be an allowed Restructuring Claim for distribution purposes.

6. If a Snowflake Creditor is sent a Notice of Revision or Disallowance pursuant to paragraph 5 hereof and wishes to dispute such Notice of Revision or Disallowance, such Snowflake Creditor must deliver a completed Notice of Dispute, as defined in the Claims Procedure Order, to the Monitor by no later than 5:00 p.m. on the day which is seven (7) days after the date of the applicable Notice of Revision or Disallowance or such other date as may be agreed to by the Monitor. If such Snowflake Creditor fails to deliver a Notice of Dispute by such date, the Snowflake Claim of such Snowflake Creditor as set out in the applicable Notice of Revision or Disallowance, if any, shall be an allowed Restructuring Claim for distribution purposes.

7. If a Snowflake Creditor files a Notice of Dispute, the Petitioner Parties, in consultation with the Monitor, may, upon receipt of a Notice of Dispute: (i) attempt to resolve consensually the disputed Snowflake Claim with the Snowflake Creditor, (ii) in accordance with the Claims Procedure Order, deliver a "Dispute Package" to an appointed "Claims Officer" (as such terms are defined in the Claims Procedure Order), or (iii) bring a motion before the Court in these proceedings to determine the validity and amount of its Snowflake Claim. The Snowflake Claim, as resolved by the dispute resolution procedures referenced in this paragraph 7 and upon

the completion of such dispute resolution procedures, shall be an allowed Restructuring Claim for distribution purposes.

8. Any Snowflake Creditor who holds a Snowflake Claim greater than CAD \$10,000 may make a Cash Election by attaching a Cash Election Form (as such terms are defined in the Second Amended Plan) to its Proof of Claim and filing it on or before the Snowflake Claims Bar Date in accordance with paragraph 2 hereof. The allowed Snowflake Claim of any Snowflake Creditor who makes a Cash Election in accordance with this Order and the Second Amended Plan shall be deemed equal to CAD \$10,000 for distribution purposes. For clarity, no Snowflake Creditor may make a Cash Election after the Snowflake Claims Bar Date.

9. Any Snowflake Creditor who holds a Snowflake Claim other than a Snowflake Creditor that has made Cash Election in accordance with paragraph 8 hereof, may make an Equity Election by attaching an Equity Election Form (as such terms are defined in the Second Amended Plan) to its Proof of Claim and filing it on or before the Snowflake Claims Bar Date in accordance with paragraph 2 hereof.

10. Distributions on allowed Snowflake Claims shall be made in accordance with the Second Amended Plan.

11. 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 (i) make such orders and to provide such assistance to the Petitioner Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, (ii) grant representative status to any of the Petitioners, and to Catalyst Paper Corporation ("CPC") on behalf of any or all of the Petitioner Parties, in any foreign proceeding, and (iii) assist the Petitioner Parties, CPC, the Monitor and the respective agents of each of the foregoing in carrying out the terms of this Order.

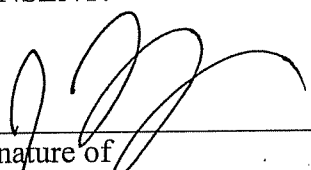
12. The Petitioner Parties and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where they are satisfied that a Snowflake Claim has been adequately proven, waive strict compliance with the requirements of this Order and the Claims Procedure Order, including in respect of the completion, execution and time of delivery of such forms, and may request any further documentation from a Snowflake Creditor that the Petitioner Parties or the Monitor may require in order to enable them to determine the validity of a Snowflake Claim, without prejudice to the requirement that all other Snowflake Creditors must comply with this Order.

13. If any deadline set out in this Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

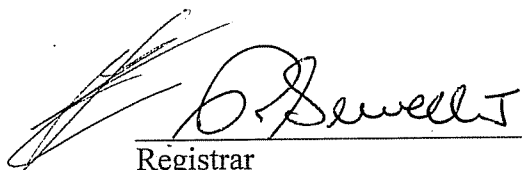
14. Notwithstanding the terms of this Order or the Snowflake Order, the Petitioner Parties and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Order, or for such further Order or Orders as either of them may consider necessary or desirable to amend, supplement or replace this Order.

15. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioner Parties, 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./Jeff Langlois

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"

### APPEARANCE LIST – AUGUST 28, 2012

| Party              | Name of Party  | Counsel Name   |
|--------------------|--|--|
| The Petitioners    | Catalyst Paper Corporation and others  | Bill Kaplan, Q.C.<br><del>Peter Rubin</del> Andrew Ciabtree<br>Jeff Langlois |
| The Monitor        | PricewaterhouseCoopers Inc.  | Kibben Jackson   |
| Interested Parties | A Representative Group of 2014 Unsecured Noteholders and certain 2016 Noteholders  | David Gruber<br><br>Melanie Wagner<br>(by telephone)                         |
| Interested Party   | Wilmington Trust, National Association   | Benjamin La Borie  |
| Interested Parties | A Representative Group of 2016 Noteholders   | John Sandrelli   |
| Interested Party   | Superintendent of Pensions   | Sandra Wilkinson   |
| Interested Parties | Catalyst TimberWest Retired Salaried Employees Association   | Andrea Glen  |
| Interested Parties | CEP Unions – Locals 1, 76 (Powell River), 592, 686 (Port Alberni), 1132 (Crofton), 630, 1123 (Campbell River)  | Dan Rogers   |
| Interested Parties | Powell River Energy Inc., Quadrant Investments Ltd., TimberWest Forest Corp., Western Forest Products and Edward C. Kress, Harry A. Goldgut and Richard Legault, Trustees of Powell River Energy Trust | Mary Buttery   |
| Interested Parties | United Steelworkers International and USW Local 2688   | Stefanie Quelch  |
| Interested Party   | Board of Directors of Catalyst   | Patrick Riesterer<br>(by telephone)  |
|                    | Province of British Columbia   | Elizabeth Rowbotham  |
|                    | JP Morgan Chase  | Jennifer Corbucci  |
|                    |  |  |
|                    |  |  |
|                    |  |  |

**File a Notice:**[12-10221-PJW Catalyst Paper Corporation](#)

Type: bk

Chapter: 15 v

Office: 1 (Delaware)

Assets: y

Judge: PJW

Case Flag: MEGA, LEAD

**U.S. Bankruptcy Court****District of Delaware**

## Notice of Electronic Filing

The following transaction was received from Van C. Durrer entered on 8/28/2012 at 4:50 PM EDT and filed on 8/28/2012

**Case Name:** Catalyst Paper Corporation**Case Number:** [12-10221-PJW](#)**Document Number:** [195](#)**Docket Text:**

Notice of Service *Notice of Entry by Canadian Court of Snowflake Order* Filed by Catalyst Paper Corporation (Attachments: # (1) Exhibit A) (Durrer, Van)

The following document(s) are associated with this transaction:

**Document description:**Main Document**Original filename:**H:\temp\convert\1 - Notice of Filing.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=8/28/2012] [FileNumber=11038937-0]  
][8b0e29881b527b9b2ab8bc5afb27fed941366a4d86c02b3feeb16ca7b223c21658  
34bd0fa9c5ee9d5dd47cc6f0b825ce59fa6e83ea2a261b2395b04ba6e1d2c]]

**Document description:**Exhibit A**Original filename:**2 - Exhibit A Order.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=8/28/2012] [FileNumber=11038937-1]  
][88eabe1ce74474852cfda773c357ffb756fa509194685d0379e829a9baf08e3130d  
c78b33b39b9cd09618f3b86ab3a132e3af229a19ae09ac97d85e9092c239b]]

**12-10221-PJW Notice will be electronically mailed to:**

Timothy P. Cairns on behalf of Interested Party Certain Holders of 2014 Notes  
tcairns@pszjlaw.com

Timothy P. Cairns on behalf of Interested Party Certain Holders of 2014 Senior Notes  
tcairns@pszjlaw.com

Christopher S. Chow on behalf of Creditor Snowflake Power, LLC  
chowc@ballardspahr.com

Mark L. Desgrosseilliers on behalf of Interested Party Andritz Inc., Andritz Ltd., and Andritz Iggesund