

SEP - 7 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 )  
MADAM JUSTICE BROWN ) September 7, 2012  
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 7<sup>th</sup> day of September, 2012; AND ON HEARING, Peter Rubin and Andrew Crabtree, 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:

1. Pursuant to section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "CBCA"), Catalyst Paper Corporation ("CPC") is hereby authorized to file the Articles of

Reorganization attached as **Schedule "C"** to this Order with the Director (as such terms are defined in the CBCA), such Articles of Reorganization to be effective as of the Effective Date (as such term is defined in the Second Amended and Restated Plan of Compromise and Arrangement, dated June 14, 2012 (the "**Plan**")).

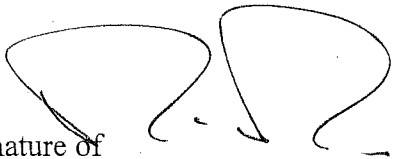
2. Pursuant to section 191 of the CBCA, CPC is hereby authorized to file the Articles of Reorganization attached as **Schedule "D"** to this Order with the Director, such Articles of Reorganization to be effective as of the Effective Date.

3. Pursuant to section 191 of the CBCA, CPC is hereby authorized to file the Articles of Reorganization attached as **Schedule "E"** to this Order with the Director, such Articles of Reorganization to be effective as of the Business Day (as such term is defined in the Plan) following the Effective Date.

4. The Petitioner Parties 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 they may consider necessary or desirable to amend, supplement or replace this Order.

5. 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 Petitioners  
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

Schedule "B"

Counsel Name	Name of Party
NONE	

Schedule "C"



Industry Canada Industrie Canada  
 Canada Business Loi canadienne sur les  
 Corporations Act sociétés par actions

FORM 14 FORMULAIRE 14  
 ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION  
 (SECTION 191) (ARTICLE 191)

1 - Name of Corporation - Dénomination sociale de la société  CATALYST PAPER CORPORATION	2 - Corporation No. - N° de la société  3937615
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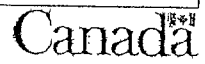
3 - In accordance with the order for reorganization, the articles of Incorporation are amended as follows: Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit:

See Schedule attached.

Signature	Printed Name - Nom en lettres moulées	4 - Capacity of - En qualité de	5 - Tel. N° - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

IC3409 (2003/06)



3. In accordance with the Order for reorganization attached hereto, the articles of amalgamation are amended as follows:

- (a) to redesignate the "Common Shares" as the "Old Common Shares";
- (b) to create a new class of shares consisting of an unlimited number of "New Common Shares";
- (c) to provide that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number of Old Common Shares; an unlimited number of New Common Shares and 100,000,000 Preferred Shares;
- (d) to delete the rights, privileges, restrictions and conditions attached to the Old Common Shares (formerly Common Shares) and to substitute therefor the following:

Old Common Shares

The holders of the Old Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
  - (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the Old Common Shares; and
  - (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation pro rata with the holders of the New Common Shares.
- (e) to provide that the rights, privileges, restrictions and conditions attached to the New Common Shares shall be as follows:

New Common Shares

The holders of the New Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
  - (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the New Common Shares; and
  - (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation pro rata with the holders of the Old Common Shares.
- (f) to provide that, after giving effect to the foregoing, the stated capital account to be maintained for the Old Common Shares shall be equal to the stated capital account of the Common Shares immediately prior to the date hereof, which amount may be adjusted from time to time in accordance with the *Canada Business Corporations Act*, as now enacted or as the same may from time to time be amended, reenacted or replaced (the "CBCA") or by court order, and the stated capital account to be maintained for the New Common Shares

shall be \$0, which amount may be adjusted from time to time in accordance with the CBCA, or by court order.

(g) to confirm that the rights, privileges, restrictions and conditions attached to the Preferred Shares shall be as follows:

Preferred Shares

The Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time by resolution passed before the issue of any shares of any particular series of Preferred Shares fix the number of shares in, and determine the designation of the shares of, that series, and determine the rights, privileges, restrictions and conditions attaching to the Preferred Shares of that series, including, without limitation, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation, provided that, except for such voting rights as may be attached to any series of the Preferred Shares by the directors, the holders of Preferred Shares shall not be entitled as such to receive notice of or to attend or vote at any general meeting of the Corporation.

Schedule "D"



Industry Canada Industrie Canada  
 Canada Business Corporations Act Loi canadienne sur les sociétés par actions

FORM 14 FORMULAIRE 14  
 ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION  
 (SECTION 191) (ARTICLE 191)

1 - Name of Corporation - Dénomination sociale de la société  CATALYST PAPER CORPORATION	2 - Corporation No. - N° de la société  3937615
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3 - In accordance with the order for reorganization, the articles of incorporation are amended as follows: Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

- (a) to reduce the stated capital of the Old Common Shares by \$134,534,000, less the fair market value of the New Common Shares to be issued on the business day following the date hereof in accordance with the said order of reorganization; and
- (b) to increase the stated capital of the New Common Shares by \$134,534,000 less the fair market value of the New Common Shares to be issued on the business day following the date hereof in accordance with the said order of reorganization.

Signature	Printed Name - Nom en lettres moulées	4 - Capacity of - En qualité de	5 - Tel. N°. - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

**Schedule "E"**



3. In accordance with the Order for reorganization attached hereto, the articles of amalgamation are amended as follows:

- (a) to cancel and eliminate the Old Common Shares, which Old Common Shares shall be of no further force and effect, whether surrendered for cancellation or otherwise, and the obligation of the Corporation thereunder or in any way related thereto shall be deemed to be satisfied and discharged and the holders of the Old Common Shares shall have no further rights or interest in the Corporation on account thereof and to delete the rights, privileges, restrictions and conditions attached to the Old Common Shares;
- (b) to rename the "New Common Shares" as the "Common Shares";
- (c) to confirm that the stated capital of the Common Shares is \$134,534,000, which amount may be adjusted from time to time in accordance with the *Canada Business Corporations Act*, as now enacted or as the same may from time to time be amended, reenacted or replaced (the "CBCA") or by court order;
- (d) to provide that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number of Common Shares and 100,000,000 Preferred Shares; and
- (e) to confirm that, subject to the requirements of the CBCA, "the classes and any maximum number of shares that the Corporation is authorized to issue" are as follows:

**Authorized Capital**

An unlimited number of Common Shares and 100,000,000 Preferred Shares.

**Common Shares**

The holders of the Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the Common Shares; and
- (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation.

**Preferred Shares**

The Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time by resolution passed before the issue of any shares of any particular series of Preferred Shares fix the number of shares in, and determine the designation of the shares of, that series, and determine the rights, privileges, restrictions and conditions attaching to the Preferred Shares of that series, including, without limitation, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation, provided that, except for such voting rights as may be attached to any series of the Preferred Shares by the directors, the holders of Preferred Shares shall not be entitled as such to receive notice of or to attend or vote at any general meeting of the Corporation.