

FraserPapers

*Peter Gordon
Chief Executive Officer*

August 7, 2009

To Fraser Papers' Employees and Former Employees:

As you are aware, on June 18, 2009 Fraser Papers Inc. and all of its subsidiaries (the "Company") filed for creditor protection both in Canada and in the United States. On July 15, 2009, the Court authorized a claims process to establish the amounts owed to all creditors of the Company as at June 18, 2009 (the "Claims Process"). According to the Claims Process, PricewaterhouseCoopers Inc., the Court-appointed Monitor is required to provide all known creditors with a Proof of Claim Document Package so that creditors who may be owed money can fill in the required forms and make a claim.

We have continued to pay wages, salaries, benefits and vacation pay in the normal course and as a result, we do not believe that you are owed any amounts by the Company as of June 18, 2009. Consequently, the Company believes that you do not have to complete a Proof of Claim Document Package. However, if you believe you may have a claim against the Company, you **must submit a Proof of Claim** for amounts owing as of **June 18, 2009** (detailing the amount owed to you along with all supporting documentation to verify your Claim) to the Monitor **on or before September 30, 2009 (the "Claims Bar Date")**. **Failure to file a Proof of Claim by the Claims Bar Date will result in your losing the right to make a claim or receive a distribution of any amount that may be paid to creditors of the Company at any future time.**

If your employment is terminated after June 18, 2009 you may have a claim against the Company that is referred to as a "Restructuring Claim". If that occurs, you are required to file a Proof of Claim (detailing the amount owed to you along with all supporting documentation to verify your Claim) to the Monitor within 30 days of the date of your termination or earlier. If you think you may have a Restructuring Claim, please refer to a Proof of Claim Document Package for more details as there are other provisions specific to Restructuring Claims.

If you have not received a Proof of Claim Document Package with this letter and you believe that you have a claim against the Company, you can obtain one from the Monitor's website at www.pwc.com/car-fraserpapers or the Company's website at www.fraserpapers.com.

Claims you may have could include, but are not necessarily limited to, unpaid amounts for any of: wages/salaries; expense reimbursements; benefits including medical/dental; disability and life insurance; vacation pay; termination pay and severance pay. Please refer to the attached FAQ sheet for answers to some frequently-asked employee questions regarding the Claims Process.

In order to determine the accurate amount of your claim, please refer to any statements, letters, or related documentation you have received from or sent to the Company.

The Monitor will review and evaluate each Proof of Claim received. If you have filed a Proof of Claim before the Claims Bar Date and you do not receive a Notice of Revision or Disallowance

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FraserPapers

from the Monitor, your claim will be deemed to have been accepted by the Monitor in the amount filed by you. If the Monitor disagrees with your Proof of Claim, you will receive a Notice of Revision or Disallowance and a Dispute Notice on or before October 23, 2009 in the case of all claims other than Restructuring Claims. That Notice will provide you with further instructions in the event you disagree with the Monitor's determination of your claim.

Any inquiries about the Claims Process or regarding potential claims can be directed to Linda Pellizzari who can be reached at 416-359-8644 or by email at lpellizzari@toronto.fraserpapers.com. Alternatively, you can contact the Monitor at 1-877-332-1688 or by email at FPEmployeeClaims@ca.pwc.com.

A copy of the Orders issued by the Court on June 18, 2009 and July 15, 2009 and all materials filed by the Court in respect of this proceeding can be obtained from www.fraserpapers.com or from the website of the Monitor: www.pwc.com/car-fraserpapers.

Please note that this letter is being provided to you as general guidance only - you should review the Court Orders and/or consult with your own legal advisor if you have any questions or concerns regarding the amounts owed to you or your legal rights.

Finally, I would like to thank you for your continued patience and support in these difficult times as we work to emerge from these proceedings as a sustainable and profitable specialty paper Company.

Yours very truly,

A handwritten signature in black ink, appearing to read "Peter Gordon", written in a cursive style.

Peter Gordon
Chief Executive Officer

Frequently Asked Questions re Proof of Claim Process

This document answers some frequently asked questions regarding the Proof of Claim process. The following are questions frequently asked by current and former employees concerning the recently posted Claims Order on the Monitor's website at www.pwc.com/car-fraserpapers. We will continue to update the list of questions on the Company's website at www.fraserpapers.com as other questions arise. All capitalized terms herein are defined in the Claims Order, a copy of which can be obtained from the Monitor's website at www.pwc.com/car-fraserpapers or by calling the Monitor at 1-877-332-1688.

1. What is the Claims Order?

The Claims Order is an order of the Court dated July 15, 2009 granted under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") establishing a process for the submission, evaluation and adjudication of claims against the Applicants (Fraser Papers Inc. and all its subsidiaries) and Directors of Fraser Papers. A copy of the Claims Order can be obtained from the Monitor's website at www.pwc.com/car-fraserpapers or by calling 1-877-332-1688.

2. What is a Proof of Claim form?

The Proof of Claim is the document that must be completed by a Creditor to assert a claim against the Applicants and/or the Directors. A Proof of Claim form is available from the Monitor at www.pwc.com/car-fraserpapers or by calling 1-877-332-1688.

3. What is a "Claim"?

A "Claim" is a right to a payment from the Applicants that existed as of June 18, 2009 (the "Filing Date"). A full definition of "Claim" can be found in the Claims Order. Generally current or former employees may have a Claim for any amounts owed to them that the Applicants have not already paid or will pay in the normal course of business.

4. What is a "Restructuring Claim"?

A "Restructuring Claim" is a right to a payment from the Applicants in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the restructuring, a repudiation or a termination after the Filing Date of any contract or other agreement whether written or oral.

5. I received a Proof of Claim Document Package. Does this mean I have a Claim or Restructuring Claim?

Not necessarily. While the Applicants may provide Proof of Claim Document Packages to Known Creditors, receipt of the package, which includes the Proof of Claim, does not necessarily mean that you have a Claim against the Applicants and/or the Directors.

6. Why did the Applicants send Proof of Claim Document Packages to some employees and not others?

The mailing of the Proof of Claim Document Package to employees is a routine part of CCAA proceedings to ensure that employees who believe they have a Claim against the Applicants and/or Directors have an opportunity to file a Proof of Claim.

The following groups of individuals will receive Proof of Claim Document Packages. If you did not receive a Proof of Claim Document Package but feel you have a Claim against the Company and/or the Directors, please refer to question 7.

- Deferred Compensation Plan participants
- Supplemental Executive Retirement Plan participants
- Supplemental Employee Retirement Plan participants
- Terminated employees (within the 12 months preceding the date of Filing)
- Employees not actively at work including employees on disability leave (but not including employees on lay-off.)

7. If I think I have a Claim and I have not received a Proof of Claim Document Package, what should I do?

If you did not get a Proof of Claim Document Package, it is because the Applicants' books and records do not indicate that you have a claim against them or the Directors. If you feel that you do have a claim, you should obtain a Proof of Claim Document Package and complete and submit the package to the Monitor. Copies of the Proof of Claim forms can be found on the Monitor's website at www.pwc.com/car-fraserpapers or you can call the Monitor directly at 1-877-332-1688 and ask for a copy of the Proof of Claim Document Package to be sent to you.

8. How are outstanding grievances being dealt with?

In the first instance, you should contact your union representative to discuss the grievance. Each union is being sent a Proof of Claim Document Package and is being requested to file Proofs of Claim on behalf of the affected employees for each grievance.

9. How are outstanding benefit claims being dealt with?

In the first instance, you should contact the benefit provider to discuss the reasons why the claim has not been reimbursed to you. If, after obtaining these reasons, you still consider the amount should have been reimbursed to you, you should contact your local Human Resources department or alternatively Linda Pellizzari at 416-359-8644 or by email at lpellizzari@toronto.fraserpapers.com to discuss the matter before completing a Proof of Claim.

10. Do active employees need to file Claims for regular wages, salaries, expense reimbursements or medical/dental claims?

The Applicants received court authorization to continue paying employees for wages, salaries, expense reimbursements and medical/dental claims that were earned/ incurred in the ordinary course of business before June 18, 2009 for employees who continued to be employed after June 18, 2009. The Applicants have continued to make those payments. As such, most current employees will not have a claim for pre-filing wages, salaries, expense reimbursements or medical/dental claims as these have been or will be paid in the normal course. As a result, Proof of Claim Document Packages will not be sent to active employees. As a result, we are of the view that active employees have no Claims and do not have to file a Proof of Claim. Of course, if you feel that you do have a claim, you should submit a Proof of Claim.

11. Do employees have a Claim if the Applicants amend or terminate their Pension Plans?

At this time, the Applicants are not seeking to amend and/or terminate any of their pension plans. However, if the Applicants were to amend any of their pension plans in the future, a Proof of Claim Document Package will be sent to the trustees of the affected pension plans who will file a Proof of Claim on behalf of all affected beneficiaries.

12. What is the Claims Bar Date?

The Claims Bar Date is the last date on which a Proof of Claim form can be filed with the Monitor in respect of a Claim arising prior to the Filing Date. The Court has set September 30,

2009 at 5:00 p.m. (EST) as the Claim Bar Date. However, if your employment was terminated or you resigned after June 18, 2009, you may have a Restructuring Claim in respect of which the Court set a different bar date for filing a Proof of Claim with the Monitor.

13. What is the Restructuring Claims Bar Date?

The Restructuring Claims Bar Date is the last date on which a Proof of Claim form for a Restructuring Claim can be filed with the Monitor. The Court has set the date as 5:00p.m. (EST) on the date which is the **earlier of** thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan.

14. What if I have a Claim and do not file a Proof of Claim by the Claims Bar Date or the Restructuring Claims Bar Date (where applicable)?

If you have a Claim and fail to file a Proof of Claim before the Claims Bar Date or the Restructuring Claims Bar Date, whichever is applicable to your particular Claim, you will forever lose that Claim against the Applicants and/or Directors and your Claim will be barred and extinguished in accordance with paragraph 28 of the Claims Order.

15. I downloaded a copy of the Proof of Claim from the Monitor's website and already completed it and mailed it in. I have since received another copy of the Proof of Claim form in the mail. Do I need to fill it out again and resubmit it?

No. Copies of the Proof of Claim were mailed to each Known Creditor and it was made available on the Monitor's website. This was done to ensure that all Creditors were given an equal opportunity to receive notice and file their Claims. Many Creditors filed their Claims before this mailing took place, however, the forms are identical and there is no need to resubmit your Claim to the Monitor.

16. What if I do not know the amounts owed to me?

You are required to complete the Proof of Claim as accurately as possible on the information available to you. If you believe you have a Claim against the Applicants and/or the Directors but cannot accurately determine the amount of your Claim, you must submit the Proof of Claim with an estimated amount that you believe is owed to you along with any documentation that you may have in support of your Claim and/or seek legal counsel.

17. Who can I contact if I have questions about filing a Claim?

General inquiries about the process can be directed to your local Human Resources department. Alternatively please contact Linda Pellizzari at 416-359-8644 or by email at lpellizzari@toronto.fraserpapers.com.

If you need additional information, you can send an email to the Monitor at FPEmployeeClaims@ca.pwc.com or you may call 1-877-332-1688. You may also want to consult with your own lawyer/attorney. Information about the Claims process is also available on www.pwc.com/car-fraserpapers.

18. Where do I send the completed Proof of Claim?

Original Proofs of Claim, with any supporting documents should be sent to:

By Fax: (416) 814-3219

By Email: FPEmployeeClaims@ca.pwc.com

By Mail/Courier to:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.,
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West, Suite 3000
P.O. Box 82
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: 1-877-332-1688

19. Can I fax or e-mail the Proof of Claim?

Yes. Proofs of Claim, may be sent by fax or e-mail to the Monitor at fax 416-814-3219 or e-mail FPEmployeeClaims@ca.pwc.com

20. Can I send the Proof of Claim to the Applicants?

No. The Applicants cannot accept Proofs of Claim. All Proofs of Claim **must** be sent to the Monitor by email, fax, hand delivered, courier or mail, at the address listed above.

21. After I return the completed Proof of Claim, will I receive confirmation that it was received by the Monitor?

No. However, if you are concerned that your Proof of Claim may not have been received by the Monitor, you can email the Monitor at FPEmployeeClaims@ca.pwc.com or call 1-877-332-1688 requesting confirmation.

22. When will I hear from the Monitor regarding the acceptance or rejection of my Claim?

The Monitor, with the assistance of the Applicants, will review and evaluate each Proof of Claim received and, if not accepted, in whole or in part, the Monitor will issue a Notice of Revision or Disallowance and a Dispute Notice to you on or before October 23, 2009. If you do not receive a Notice of Revision or Disallowance from the Monitor, your Claim will be deemed accepted by the Monitor in the amount filed by you.

23. If the Claims Bar Date or Restructuring Claims Bar Date has passed and I did not receive confirmation from the Monitor as to whether or not my claim was accepted, should I resubmit my Proof of Claim just to make sure the Monitor has it on file?

No. As indicated above, if you do not receive a Notice of Revision or Disallowance from the Monitor, your claim will be deemed accepted by the Monitor in the amount filed by you.

24. What if I receive a Notice of Revision or Disallowance from the Monitor and I wish to dispute the evaluation of my Claim?

Employees may dispute their Claim, as set out in the Notice of Revision or Disallowance, by filing a Dispute Notice with the Monitor and the Applicants on or before 5 p.m. (EST) on November 6, 2009 and your Claim, if not consensually resolved by the Monitor and the Applicants, will be referred to the Claims Officer (the Honourable John D. Ground) for evaluation.

PricewaterhouseCoopers Inc.
77 King Street
PO Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 877 332 1688
Facsimile +1 416 814 3219

On peut obtenir une copie de la présente lettre d'instruction ainsi que de la trousse de preuve de réclamation en français sur le site Web du contrôleur (www.pwc.com/car-fraserpapers) ou en contactant le contrôleur (1-877-332-1688 ou FPEmployeeClaims@ca.pwc.com).

**INSTRUCTION LETTER
FOR THE CLAIMS PROCEDURE FOR
FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC
(collectively, the "Applicants") and THEIR FORMER AND CURRENT OFFICERS
AND DIRECTORS (collectively, the "Directors")**

CLAIMS PROCESS

By Order of the Honourable Madam Justice Pepall dated July 15, 2009 (as may be amended from time to time, the "Claims Order") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"), PricewaterhouseCoopers Inc., in its capacity as Court-appointed Monitor of the Applicants, has been authorized to conduct a claims process (the "Claims Process"). A copy of the Claims Order can be obtained from the Monitor's website at www.pwc.com/car-fraserpapers. Capitalized terms not defined within this instruction letter shall have the meaning set out in the Claims Order. You should review the Claims Order carefully for all terms defined therein.

This letter provides general instructions for completing the Proof of Claim form. As of the date of this instruction letter, there have been no proposed plans of arrangement or compromise pursuant to the CCAA.

The Claims Process is intended for any Person with a Claim of any kind or nature whatsoever, including a Restructuring Claim, other than an Excluded Claim, against any or all of the Applicants and/or Directors arising on or prior to June 18, 2009, whether unliquidated, contingent or otherwise or arising out of the restructuring, repudiation or termination after June 18, 2009 of any contract, lease or other agreement, whether oral or written, by any of the Applicants.

All notices and inquiries with respect to the Claims Process, as well as completed Proof of claims, should be directed to the Monitor by regular mail, prepaid registered mail, courier, personal delivery, electronic communication or facsimile transmission at the address below:

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants.

- **By Fax: (416) 814-3219 or**
- **By Email: FPEmployeeClaims@ca.pwc.com or**

- **By Regular Mail, Registered Mail or Courier:**
PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON, Canada M5K 1G8
Attention: Mona Law

FOR CREDITORS SUBMITTING A PROOF OF CLAIM FORM

If you believe that you have a Claim against any or all of the Applicants and/or Directors you must file a Proof of Claim form with the Monitor. All Proofs of Claim for Claims arising prior to June 18, 2009 must be received by the Monitor **before 5:00 pm (Eastern Standard Time) on September 30, 2009 (the “Claims Bar Date”)**, unless the Monitor and the Applicants agree in writing or the Court orders that the Proof of Claim be accepted after that date. All Proofs of Claim for Restructuring Claims arising out of the restructuring, repudiation or termination after June 18, 2009 of any contract, lease or other agreement, whether oral or written, by any of the Applicants must be received by the Monitor **before 5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan (the “Restructuring Claims Bar Date”)**. If your claim is not received by the Claims Bar Date or Restructuring Claims Bar Date, it will be forever barred and extinguished and you will not be entitled to participate in any Plan.

All Claims are to be filed in the currency of the transactions. For the purposes of the Claims Process only (and without prejudice to the terms of any plan of arrangement or compromise) Claims in foreign currency will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date (exchange rate conversion on such date was US\$1.00 = CAD\$1.1273).

Additional Proof of Claim forms can be obtained from the Monitor’s website at www.pwc.com/car-fraserpapers or by **contacting the Monitor at 1-877-332-1688 or FPEmployeeClaims@ca.pwc.com** and by providing the particulars as to your name, address, facsimile number, email address and contact person. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

DATED this 7th day of August, 2009.

PricewaterhouseCoopers Inc.
in its capacity as Monitor and not in its personal capacity

PROOF OF CLAIM

FOR CREDITORS OF FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC (Each an "Applicant" and collectively, the "Applicants") and THEIR FORMER AND CURRENT OFFICERS AND DIRECTORS (collectively, the "Directors")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Capitalized terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Order of the Superior Court of Justice (Commercial List) dated July 15, 2009, as may be amended from time to time (the "Claims Order").

1. PARTICULARS OF CREDITOR:

(a) Full Legal Name of Creditor (include trade name, if different):

(the "Creditor"). The full legal name should be the name of the Creditor of the Applicant(s), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred prior to or following June 18, 2009.

(b) Full Mailing Address of the Creditor:

The mailing address should be the mailing address of the Creditor and not any assignee.

(c) Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

(d) Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

☐ Yes ☐ No

2. **PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)**

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet that contains all of the required information set out below for each assignee.

(a) Full Legal Name of Assignee:

(b) Full Mailing Address of the Assignee:

Other Contact Information of the Assignee:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

3. **PROOF OF CLAIM – CLAIM AGAINST THE APPLICANT(S)**

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I:

☐ am a Creditor of one or more of the Applicants; **OR**

☐ am

(state position or title)

of _____
(name of Creditor)

(b) That I have knowledge of all the circumstances connected with the Claim described and set out below;

(c) The Applicant(s) was and still is indebted to the Creditor as follows (include all Claims that you assert against the Applicant(s). Claims should be filed in the currency of the transactions, with reference to the contractual rate of interest, if any, and such currency should be indicated as provided below in respect of the following Claim(s):

(complete using original currency and amount)

Applicant	(i) Amount of Claim Outstanding prior to June 18, 2009	(ii) Amount of Restructuring Claim	(iii) Total Claim (Sum of (i) and (ii))	Secured	Unsecured
☐ Fraser Papers Inc.	\$ _____	\$ _____	\$ _____	☐	☐
☐ FPS Canada Inc.	\$ _____	\$ _____	\$ _____	☐	☐
☐ Fraser Papers Holdings Inc.	\$ _____	\$ _____	\$ _____	☐	☐
☐ Fraser Timber Ltd.	\$ _____	\$ _____	\$ _____	☐	☐
☐ Fraser Papers Limited	\$ _____	\$ _____	\$ _____	☐	☐
☐ Fraser N.H. LLC	\$ _____	\$ _____	\$ _____	☐	☐

For the purposes of the Claims Order only (and without prejudice to the terms of any plan of arrangement or compromise), Claims will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date. (The exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

4. NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

Applicant: _____

☐ Secured Claim of \$ _____
(Original Currency and amount)

In respect of this debt, I hold security over the assets of the Applicant(s) valued at \$ _____,
(Original Currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

☐ Unsecured Claim of \$ _____
(Original Currency and amount)

(Give full particulars of the security, including the date on which the security was given the value which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.)

(If you are asserting multiple secured claims, against one or more of the Applicants, please provide full details of your security against each of the Applicants)

5. **PARTICULARS OF CLAIM**

Other than as already set out herein, the particulars of the undersigned's total Claim against the Applicant(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will assist in the determination of your Claim. At a minimum, you are required to provide the invoice date, invoice number, the amount of each outstanding invoice and the related purchase order number. Further particulars may include the following if applicable: a description of the transaction(s) or agreement(s) giving rise to the Claim; contractual rate of interest (if applicable); name of any guarantor which has guaranteed the Claim; details of all credits, discounts, etc. claimed; description of the security if any, granted by the affected Applicant(s) to the Creditor, the estimated value of such security and the basis for such valuation; and the particulars of any Restructuring Claim.

6. **PROOF OF CLAIM – CLAIMS AGAINST THE DIRECTOR(S)**

THIS SECTION SHOULD ONLY BE COMPLETED BY A CREDITOR ASSERTING A CLAIM AGAINST THE DIRECTOR(S). A CREDITOR ASSERTING A CLAIM ONLY AGAINST THE APPLICANT(S) MUST NOT COMPLETE THIS SECTION.

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I:

- ☐ am a Creditor of one or more of the Director(s); **OR**
- ☐ am

(state position or title)

of _____
(name of Creditor)

(b) I assert a claim against the following Director(s) (please list below the individual Directors:

(c) That I have knowledge of all the circumstances connected with the Claim described and set out below;

(d) The Director(s) was and still is indebted to the Creditor as follows (include all Claims that you assert against the Director(s). Claims should be filed in the currency of the transactions, with reference to the contractual rate of interest, if any, and such currency should be indicated as provided below) in respect of a Claim arising on or prior to June 18, 2009:

_____ \$ _____
(Original Currency)

- (e) The Director(s) was and still is indebted to the Creditor as follows in respect of a Restructuring Claim arising on or after June 18, 2009:

_____ \$ _____

For the purposes of the Claims Order only (and without prejudice to the terms of any plan of arrangement or compromise), Claims will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date. (The exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

7. NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim against the Directors

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

☐ Unsecured Claim of _____ \$ _____
(Original Currency and amount)

☐ Secured Claim of _____ \$ _____
(Original Currency and amount)

In respect of this debt, I hold security over the assets of the Director(s) valued at
\$ _____,
(Original Currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

(Give full particulars of the security, including the date on which the security was given the value which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.)

8. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the Director(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will assist in the determination of your Claim, including the amount, description of transaction(s) and/or agreement(s) giving rise to the Claim, reasons for asserting the Claim against the Director(s) personally, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed,

description of the security, if any, granted by the Director(s) to the Creditor and estimated value of such security and the particulars of any Restructuring Claim.

9. **FILING OF CLAIM**

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Eastern Standard Time) on September 30, 2009**, unless a Restructuring Claim is being asserted in which case the Proof of Claim form related to your Restructuring Claim only must be received by the Monitor by no later than **5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan (the "Restructuring Claims Bar Date")**, by either regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile transmission at the following address:

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants

By Fax or Email (please ensure you remit all pages of your proof of claim to the Monitor)

Fax: (416) 814-3219

Email: FPEmployeeClaims@ca.pwc.com

Or by Regular Mail, Registered Mail or Courier:

PricewaterhouseCoopers Inc.

Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.

Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC

77 King Street West

P.O. Box 82, Suite 3000

Royal Trust Tower, TD Centre

Toronto, ON, Canada M5K 1G8

Attention: Mona Law

Telephone 1 (877) 332-1688

DATED this _____ day of _____, 2009.

Name of Creditor:

(Name)

Per: _____
Name:
Title:
(please print)