

Court File No. CV-09-8241-00CL

**FRASER PAPERS INC., FPS CANADA INC.,
FRASER PAPERS HOLDINGS INC., FRASER
TIMBER LTD., FRASER PAPERS LIMITED,
FRASER N.H. LLC**

**MONITOR'S SEVENTH REPORT TO THE COURT
January 27, 2010**

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 WITH
RESPECT TO FRASER PAPERS INC., FPS CANADA INC., FRASER PAPER HOLDINGS
INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC

Applicants

SEVENTH REPORT TO THE COURT
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.
IN ITS CAPACITY AS MONITOR
OF THE APPLICANTS

INTRODUCTION

1. This Monitor's seventh report (the "**Seventh Report**") is filed with the Court in connection with the motion of the Applicants returnable January 28, 2010, seeking an Order requiring Lauzon (Thurso) Ressources Forestieres Inc. ("**Lauzon**") to pay Fraser Papers Inc. ("**Fraser Papers**") the amount of CDN\$370,366.25 on account of certain prepaid wood products pursuant to a supply contract with Lauzon. The Monitor understands that Lauzon will be opposing the Applicants' motion.
2. The purpose of this Seventh Report is to provide this Court with an English translation of:
 - a. the supply contract that the Monitor understands governs the relationship between Fraser Papers and Lauzon (the "**Lauzon Contract**"), which supply contract is included at Tab 1 of the Compendium filed by Thornton Grout Finnigan in connection with this matter (the "**Compendium**"); and

- b. the email included at Tab 4A of the Compendium (the “**Email**”).
3. Upon the referral of its counsel, the Monitor retained All Languages Inc. to provide the aforementioned translations.
4. A copy of the English translation of the Lauzon Contract is attached as Appendix “A” hereto, which includes an affidavit of verification confirming the accuracy of the translation.
5. A copy of the English translation of the Email is attached as Appendix “B” hereto.

The Monitor respectfully submits to the Court this, its Seventh Report, and trusts that the attached translations are of assistance to the Court.

Dated at Toronto, this 27th day of January, 2010.

PricewaterhouseCoopers Inc.

in its capacity as Monitor of Fraser Paper Inc. et al.

A handwritten signature in black ink that reads "John McKenna". The signature is written in a cursive, flowing style.

John McKenna
Senior Vice President

APPENDIX “A”

APPENDIX “B”

