

Glen McMillan
Chief Restructuring Officer

February 1, 2011

TO: All creditors having claims against Fraser Papers Inc. / Papiers Fraser Inc., FPS Canada, Fraser Papers Holdings Inc., Fraser Timber Limited, Fraser Papers Limited and Fraser N.H. LLC (collectively, the "Companies")

The Companies have been operating under a Court supervised restructuring pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") in Canada and under Chapter 15 of the *U.S. Bankruptcy Code* since June 18, 2009. PricewaterhouseCoopers Inc. acts as court-appointed Monitor (the "Monitor") of the Companies.

The Companies presented a formal Plan of Compromise and Arrangement (the "Original Plan") to their creditors at a meeting held on Monday, January 10, 2011. Notwithstanding that 94.8% of all votes cast (by number) were in favour of the Original Plan, the plan was not approved as a result of certain claims, with a significant dollar value in respect of the Canadian pension plans, voting to reject the Original Plan. The Companies have now filed a formal Amended Plan of Compromise and Arrangement (the "Amended Plan") with the support of the Administrator of the New Brunswick pension plans, certain other key stakeholders and with the support of the Monitor.

The Amended Plan is substantially similar to the Original Plan and, from a recovery standpoint, is as financially beneficial to creditors as the Original Plan. The Monitor's Seventeenth Report dated January 31, 2011 provides details of the amendments contained in the Amended Plan.

Voting Procedures

The meeting to vote on the Amended Plan will be held on Tuesday, February 8, 2011 at 10:00 a.m. EST (the "February Meeting") at the offices of Thornton Grout Finnigan LLP, Canadian Pacific Tower, Toronto-Dominion Centre, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7. If you filed a Proxy to vote at the prior meeting, then your previously filed Proxy will be counted at the February Meeting and you are not required to file a new Proxy to vote at the February Meeting, unless you wish to change or revoke your vote in accordance with the procedures set out in the enclosed instructions to the Proxy.

If you did not vote at the prior meeting and you wish to exercise your vote at the February Meeting you may do so in one of two ways. Firstly, you can attend in person or you can designate somebody to attend and vote for you by filling out the Proxy. Secondly, you can check the "yes" or "no" box in section I of the Proxy, sign the form and send it to the Monitor by regular mail, email or fax. If you or your designate are not attending the February Meeting, the Monitor must receive your Proxy by 2:00 p.m. EST on February 7, 2011 in order for your Proxy to be counted.

If you have any questions about any aspect of the Amended Plan, please contact the Monitor (416-815-5118 or 877-332-1688 or FPMonitor@ca.pwc.com) or myself.

Sincerely,



Glen McMillan,
Chief Restructuring Officer of the Companies