
**FRASER PAPERS INC./PAPIERS FRASER INC., FPS CANADA INC.,
FRASER PAPERS HOLDINGS INC., FRASER TIMBER LIMITED,
FRASER PAPERS LIMITED and FRASER N.H. LLC (the “Applicants”)**

**FORM OF PROXY FOR THE MEETING OF AFFECTED CREDITORS TO BE HELD
ON FEBRUARY 8, 2011 (the “February Meeting”)**

**to be held pursuant to an Order of the Ontario Superior Court of Justice
(Commercial List) made December 3, 2010, as amended by the Amending Meeting Order
dated December 17, 2010 (collectively, the “Meeting Order”), as supplemented by the
Supplemental Meeting Order dated February 1, 2011 (the “Supplemental Meeting Order”)
and, in connection with the Applicants’ Amended Consolidated Plan of Compromise and
Arrangement under the *Companies’ Creditors Arrangement Act* (the “Amended Plan”)**

**at 10:00 a.m. (EST) 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 MEETING HELD ON JANUARY 10,
2011, YOUR PREVIOUSLY FILED PROXY WILL BE COUNTED AT THE FEBRUARY
MEETING AND YOU DO NOT NEED TO FILE A NEW PROXY TO VOTE AT THE
FEBRUARY MEETING UNLESS YOU WISH TO CHANGE OR REVOKE YOUR
VOTE.**

Before completing this form of proxy (the “**Proxy**”), please read carefully the accompanying instructions for information respecting the proper completion and return of this Proxy. **IF YOU HAVE PREVIOUSLY NOT FILED A PROXY**, THIS PROXY MUST BE COMPLETED, SIGNED AND PROVIDED TO PRICEWATERHOUSECOOPERS INC. (the “**Monitor**”) PRIOR TO THE FEBRUARY MEETING IF ANY PERSON ON BEHALF OF THE UNDERSIGNED AFFECTED CREDITOR (the “**Affected Creditor**”) IS TO ATTEND THE FEBRUARY MEETING AND VOTE ON THE PLAN OR IF THE AFFECTED CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS THE AFFECTED CREDITOR’S PROXY.

The Affected Creditor, as the holder of a Proven Voting Claim and/or an Unresolved Claim that may be voted and tabulated separately at the February Meeting in accordance with the Meeting Order and the Supplemental Meeting Order, hereby revokes all proxies previously given and nominates, constitutes and appoints _____ or, instead of the foregoing, Mr. John McKenna of the Monitor, or such other person as Mr. John McKenna may designate, as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the Affected Creditor at the February Meeting and any adjournments(s) thereof. Without limiting the generality of the power hereby conferred, the persons named as proxyholders are specifically directed to vote as follows:

1. (Mark one only)

☐ **VOTE FOR** approval of the Amended Plan; or

☐ **VOTE AGAINST** approval of the Amended Plan;

2. Vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned Affected Creditor with respect to any amendments or variations to the Amended Plan and to any other matters that may come before the February Meeting or any adjournment thereof.

Dated this _____ day of February, 2011

Name of the Affected Creditor (Please Print)

Signature of Witness

Signature of the Affected Creditor or attorney authorized in writing or, if the Affected Creditor is a corporation, signature of a duly authorized signing officer of the corporation

Title of the authorized signing officer of the Affected Creditor

Mailing address and telephone number of the Affected Creditor

INSTRUCTIONS FOR COMPLETION OF THE PROXY

IF YOU FILED A PROXY TO VOTE AT THE MEETING HELD ON JANUARY 10, 2011, YOUR PREVIOUSLY FILED PROXY WILL BE COUNTED AT THE FEBRUARY MEETING AND YOU DO NOT NEED TO FILE A NEW PROXY TO VOTE AT THE FEBRUARY MEETING UNLESS YOU WISH TO CHANGE OR REVOKE YOUR VOTE.

1. Each Affected Creditor who has a right to vote at the February Meeting has the right to appoint a person to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. If no name has been inserted in the space provided, the Affected Creditor will be deemed to have appointed Mr. John McKenna of the Monitor as the Affected Creditor's proxyholder.
2. If this Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor.
3. If an officer of the Monitor is appointed or is deemed to be appointed as proxyholder and the Affected Creditor fails to indicate on the Proxy whether it wishes to vote for or against approval of the Amended Plan, the Affected Creditor will be deemed to have instructed its proxyholder to vote FOR approval of the Amended Plan, including any amendments thereto.
4. If more than one valid Proxy for the same Affected Creditor is received, the Proxy bearing the later date shall govern and the earlier-dated Proxy shall be revoked. If more than one valid Proxy for the same Affected Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such Proxies will be treated as disputed Proxies and shall not be voted.
5. An Affected Creditor's Proxy may also be revoked, unless such Affected Creditor has agreed otherwise, by an instrument in writing executed by such Affected Creditor or by its attorney, duly authorized in writing or, if such Affected Creditor is not an individual, by an officer or attorney thereof duly authorized, and delivering it to the Monitor by 2:00 p.m. (EST) on Monday, February 7, 2011, or 48 hours (excluding Saturday, Sundays and holidays) before the time of any recommencement of the February Meeting if it has been adjourned, or presented to the Monitor at the February Meeting or at the recommencement of the February Meeting if it has been adjourned.
6. This Proxy must be signed by the Affected Creditor or by a person duly authorized (by power of attorney) to sign on the Affected Creditor's behalf or, if the Affected Creditor is a corporation, by a duly authorized officer or attorney of the corporation.
7. In order to appoint the Monitor as your proxy, this Proxy, once completed, dated and signed, should be sent in advance to the Monitor, by mail, delivery, courier, facsimile or email at the address set out below and must be received by the Monitor by no later than 2:00 p.m. (Eastern Standard Time ("EST")) on February 7, 2011, or 48 hours (excluding Saturdays, Sundays and holidays) before the time of any recommencement of the February Meeting if it has

been adjourned, or presented to the Monitor at the February Meeting or at the recommencement of the February Meeting if it has been adjourned.

8. If you wish to appoint any person other than the Monitor as your proxy, you may either send the proxy to the Monitor at the address listed below before February 7, 2011, at 2:00 p.m. (EST), or 48 hours (excluding Saturdays, Sundays and holidays) before the time of any recommencement of the February Meeting if it has been adjourned, or present the Proxy to the Monitor at the February Meeting or at the recommencement of the February Meeting if it has been adjourned.

Address of the Monitor: **PricewaterhouseCoopers Inc.**
Monitor of Fraser Papers Inc.
77 King Street West, P.O. Box 82, Suite 3000
Toronto, ON M5K 1G8
Attention: Ms. Tracey Weaver
Facsimile: (416) 814-3219
Email: FPclaims@ca.pwc.com