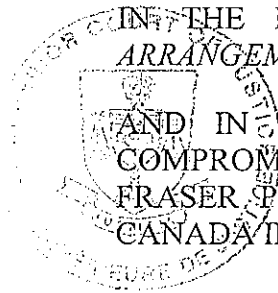


ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR. ) FRIDAY, THE 20<sup>th</sup> DAY  
 )  
JUSTICE MORAWETZ ) OF MAY, 2011



IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c.C-36 AS AMENDED  
AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS  
CANADA INC.

Applicants

**ORDER**  
**(Re: stay of proceedings, additional authority for the Monitor and dissolution of  
Fraser Papers Inc.)**

**THIS MOTION**, made by the Applicants for an Order authorizing the Director (the “**Director**”) of the Companies Branch under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “**CBCA**”) to dissolve Fraser Papers Inc. (“**Fraser Papers**”) by issuing a certificate of dissolution effective on the CCAA Termination Date (as defined in the Order of the Honourable Madam Justice Pepall dated February 10, 2011 (the “**Sanction Order**”)) and for certain related relief set out in the Notice of Motion dated May 13, 2011 was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Motion Record of the Applicants dated May 13, 2011, the Affidavit of Glen McMillan sworn on May 13, 2011 (the “**McMillan Affidavit**”), the position letter of the Director dated May 19, 2011, and on hearing the submissions of counsel for the Applicants, PricewaterhouseCoopers Inc., in its capacity as court-appointed monitor of the Applicants (the “**Monitor**”), no one appearing for any other party on the service list in these CCAA Proceedings (the “**Service List**”) or for the Director, although all properly served as appears from the affidavit of service of Bobbie-Jo Brinkman sworn on May 19, 2011, filed:

1. **THIS COURT ORDERS** that the service of the Notice of Motion and the Motion Record in respect of this motion as effected by the Applicants be and it is hereby validated in all respects and further that the requirement for service of the Notice of Motion and the Motion Record herein upon any interested parties, other than those served, is hereby waived and dispensed with including pursuant to the CBCA.
2. **THIS COURT ORDERS** that the Stay Period as described in the Initial Order be and is hereby further extended to the earlier of the CCAA Termination Date or August 31, 2011.
3. **THIS COURT ORDERS** that the Monitor be and is hereby granted signing authority on behalf of the Applicants from the date the resignation of Glen McMillan as the Chief Restructuring Officer of the Applicants becomes effective to the CCAA Termination Date, and that the Monitor is hereby authorized to undertake and complete the administrative functions and activities of the Applicants it deems necessary, in its sole and absolute discretion, that may be incidental to the termination of these CCAA Proceedings or any other matters necessary to complete these CCAA Proceedings, including, without limitation, receiving and depositing any cash received in the

Applicants' bank accounts, collecting the Receivables (as defined in the McMillan Affidavit), issuing cheques to pay all final professional fees incurred by the Applicants, dealing with and closing all bank accounts of the Applicants, and disbursing all property of the Applicants in accordance with the terms of the Amended Consolidated Plan of Compromise and Arrangement, concerning, affecting and involving the Applicants dated January 27, 2011, as amended (the "**Plan**"), and in addition to the rights and protections afforded PwC in its capacity as the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability as a result of its carrying out of the terms of this Order, except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

4. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, Glen McMillan shall co-operate fully with the Monitor for the purpose of giving effect to and in furtherance of this Order and in completing the administrative functions and activities contemplated in paragraph 3 of this Order and that the rights and protections granted to Glen McMillan in paragraph 35 of the Sanction Order shall continue to apply to actions taken by him as a result of his carrying out of the terms of this Order.
  
5. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, Brookfield Asset Management Inc. ("**Brookfield**"), Twin Rivers Paper Company Inc. ("**Twin Inc.**") and Twin Rivers Paper Company LLC ("**Twin LLC**") shall co-operate reasonably with the Monitor and are each hereby authorized and directed to provide the Monitor, at the Monitor's sole cost and expense, reasonable access to the corporate tax records of the Applicants and such other corporate records as may reasonably be requested that are in

the possession of Brookfield, Twin Inc. or Twin LLC and that the Monitor considers necessary, acting reasonably, for the purpose of giving effect to and in furtherance of this Order and in completing the administrative functions and activities contemplated in paragraph 3 of this Order, and the Monitor shall reimburse each of Brookfield, Twin Inc. and Twin LLC for its reasonable costs and expenses incurred in complying with this Order.

6. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, any financial institution that maintains the Applicants' bank accounts shall co-operate fully with the Monitor for the purpose of giving effect to and in furtherance of this Order and in completing the administrative functions and activities contemplated in paragraph 3 of this Order, including the closing of bank accounts upon the Monitor's sole instructions.
7. **THIS COURT ORDERS AND DIRECTS** the Director to dissolve Fraser Papers by issuing a certificate of dissolution effective on the CCAA Termination Date as defined in the Sanction Order.
8. **THIS COURT ORDERS** that, except as previously addressed in the Sanction Order, custody of the corporate records of Fraser Papers shall be granted to Brookfield on the CCAA Termination Date and shall be addressed thereafter in accordance with section 225(1) of the CBCA.
9. **THIS COURT ORDERS AND DIRECTS** that the Applicants shall send a certified copy of this Order to the Director forthwith.

10. **THIS COURT ORDERS AND DIRECTS** that any residual property of Fraser Papers that is received by any person after the date of dissolution of Fraser Papers shall be forthwith delivered to PwC for distribution by PwC in accordance with the terms of the Plan.
11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or elsewhere to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAY 20 2011

PER/PAR:



A. Anissimova  
Registrar

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS CANADA INC.

Applicants

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

**ONTARIO**  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

**ORDER**

(Re: stay of proceedings, additional authority for the  
Monitor and dissolution of Fraser Papers Inc.)

**Thornton Grout Finnigan LLP**

Barristers and Solicitors

Suite 3200, P.O. Box 329

Canadian Pacific Tower, TD Centre

Toronto, Ontario M5K 1K7

**D.J. Miller (LSUC# 34393P)**

**Kyla E.M. Mahar (LSUC# 44182G)**

Tel: 416-304-1616

Fax: 416-304-1313

Lawyers for the Applicants