

No. S077839
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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
OF POPE & TALBOT LTD. AND THE PETITIONERS
LISTED IN SCHEDULE "A"

APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED

ORDER
(Land Sales)

BEFORE THE HONOURABLE)
THE CHIEF JUSTICE) MONDAY, THE 31ST DAY
) OF MARCH, 2008

THE MOTION of Pope & Talbot Ltd. and those affiliates listed in Schedule "A" (the "Petitioners") coming on for hearing at Vancouver, British Columbia, on the 31st day of March, 2008, AND ON HEARING Ashley John Taylor, counsel for the Petitioners and the counsel listed in Schedule "B" AND UPON READING the material filed, including the affidavit of Harold N. Stanton sworn March 27, 2008 (the "Stanton Affidavit"), and the Exhibits thereto, and the Eleventh Report to the Court of PricewaterhouseCoopers Inc. in its capacity as Monitor, filed, AND Rules 3, 44, 51A and 55 of the *Rules of Court* and the inherent jurisdiction of this Honourable Court.

1. **THIS COURT ORDERS** that terms not otherwise defined have the meanings ascribed to them in the Amended and Restated and Confirmed Initial Order approved by this Court on November 21, 2007.

2. **THIS COURT ORDERS** the sale transactions (the "Transactions") in respect of certain redundant and surplus property (the "Purchased Assets") contemplated by the agreements of purchase and sale, attached as Exhibits "C" and "D" to the Stanton Affidavit, (the "Sale Agreements") between:

- (1) Pope & Talbot Ltd. ("P&T Ltd."), and 0815920 B.C. Ltd. ("B.C. Ltd.") executed on March 20, 2008 regarding the land and premises located in the Kootenays, British Columbia and;
- (2) P&T Ltd. and Ilkay Development Corporation, executed on February 13, 2008 regarding the land and premises located in Shelter Bay, British Columbia,

are hereby approved. The execution of the Sale Agreements are hereby authorized and approved, and the Petitioners, or any one of them, are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Assets to the Purchasers as contemplated by this Order and the various Sale Agreements.

4. **THIS COURT ORDERS** that the proceeds from each of the Transactions are to be paid to Wells Fargo Financial Corporation Canada as Administrative Agent under the DIP Credit Agreement for application in accordance with section 2.19 of the DIP Credit Agreement.

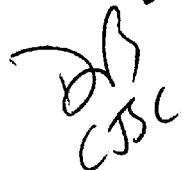
5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Petitioners and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such orders and to provide such assistance to the Petitioners as may be necessary or desirable to give effect to this Order or to assist the Petitioners and its agents in carrying out the terms of this Order.

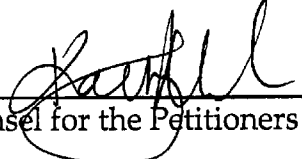
BY THE COURT



~~DISTRICT~~ REGISTRAR



APPROVED AS TO FORM:



Counsel for the Petitioners

Schedule "A"

Pope & Talbot Inc.
Penn Timber, Inc.
Pope & Talbot Lumber Sales, Inc.
P&T Power Company
Pope & Talbot Pulp Sales U.S., Inc.
Pope & Talbot Relocation Services, Inc.
Mackenzie Pulp Land Ltd.
P&T Finance Three LLC
P&T Funding Ltd.

Schedule "B"

COUNSEL/REPRESENTATIVES LIST

Ashley John Taylor - *for the Petitioners*

Sandra Bannister - *for the USW*

Gordon Elliott - *for Ilkay Development Corporation*

Bill Kaplan - *for Ableco Finance LLC*

Steven Golick - *for Wells Fargo Financial Corporation Canada*

John Grieve - *for the Monitor*