

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND IN THE MATTER OF THE RECEIVERSHIP OF
POPE & TALBOT LTD. and others

NOTICE OF MOTION

TO: All Parties of Record

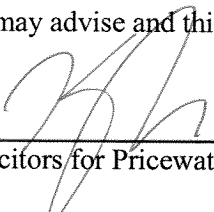
AND TO: Their Solicitors

TAKE NOTICE that an application will be made by PricewaterhouseCoopers Inc. (the "Receiver") to the Chief Justice in Chambers, at the Courthouse, 800 Smithe Street, Vancouver, B.C., on Monday, September 29, 2008 at 10:30 a.m. for an Order: (a) authorizing and directing the Receiver to distribute up to \$60 million to Ableco Finance LLC from the funds in, or subsequently coming into, the Receiver's possession; and (b) approving the sale of certain lands; all in substantially the form of the draft Order attached hereto as Schedule "A".

At the hearing of the application, the applicant will rely on the following documents:

- (a) Receiver's Eighth Report to Court dated September 24, 2008;
- (b) all pleadings had and taken herein; and
- (c) such further and other material as counsel may advise and this Honourable Court deems admissible.

Dated: September 24, 2008



Solicitors for PricewaterhouseCoopers Inc.

This matter is not expected to be of a contentious nature and we estimate it will take 15 minutes to complete. Chief Justice Brenner is seized of this matter.

The Solicitors for PricewaterhouseCoopers Inc. are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 2900 - 550 Burrard Street, Vancouver, B.C. V6C 0A3 Telephone: 604 631 3131 Facsimile: 604 631 3232. (Reference: Kibben Jackson /256107.00075)

SCHEDULE "A"

No. S077839
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

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

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

ORDER

BEFORE THE HONOURABLE) MONDAY, THE 29TH DAY
THE CHIEF JUSTICE) OF SEPTEMBER 2008
)

THE MOTION of PricewaterhouseCoopers Inc. (the "Receiver") coming on for hearing at Vancouver, British Columbia on this day, AND ON HEARING John F. Grieve and Kibben Jackson, counsel for the Receiver and Monitor, and those counsel listed in Schedule "B", AND UPON READING the material filed.

THIS COURT ORDERS THAT:

Distributions to Ableco Finance LLC

1. The Receiver is hereby authorized and directed to make one or more distributions to Ableco Finance LLC ("Ableco") in order to pay to Ableco all amounts, including without limitation, indebtedness, interest, fees, liabilities and obligations, owing to Ableco under the Definitive Documents and the DIP Credit Agreement (as those terms are defined in the Amended and Restated and Confirmed Initial Order in the CCAA Proceedings of the Petitioners) and an amount on account of the pre-filing indebtedness of the Petitioners to Ableco under the Senior

Secured Credit Agreement dated June 28, 2006 among, *inter alia*, the Petitioners and Ableco, and the Receiver may immediately distribute: (a) \$50 million upon this Order being granted; and (b) 50% of any funds received by the Receiver after the date of this Order up to the maximum amount of \$10 million (for total distributions of no more than \$60 million), and that upon such distribution(s), no person shall have any right to claim reimbursement, charge back, reallocation, claim of priority or have any other recourse or right against such payment or against Ableco in connection with such payment, provided however, that nothing contained in this Order shall: (a) relieve any person from any disgorgement obligation of such person under Section 2.13(j) of the DIP Credit Agreement; or (b) affect the rights or obligations as between the Revolving Credit Lenders and the Term Loan B Lenders under any Loan Document (as those terms are defined in the DIP Credit Agreement).

2. The Receiver shall not make any distribution(s) to Ableco under this Order unless the Receiver is satisfied that it has sufficient cash to satisfy the claims of creditors, if any, to be paid from: (i) the carve-outs under the DIP Credit Agreement for claims of professionals for fees (to a maximum amount of \$5 million), the Directors Charge, as that term is defined in the November 21, 2007 Amended and Restated Initial Order of this Court (to a maximum amount of \$13 million), and the carve-out under the DIP Credit Agreement for claims of post-filing trade creditors (to a maximum amount of \$2 million); and (ii) any proceeds of sale of assets subject to any claims of lien.

Approval of Sale of Lands

3. The sale of those certain lands and premises legally described as:

PID: 016-701-488
District Lot 1579S, Similkameen Division Yale District

PID: 014-727-552
That part of District Lot 125S Shown on Plan DD7954
Similkameen Division Yale District

PID: 014-726-785
That part of District Lot 125S Shown on Plan DD8861
Similkameen Division Yale District

PID: 014-727-579
District Lot 126S, Similkameen Division Yale District

PID: 014-727-595
District Lot 127S, Similkameen Division Yale District

PID: 013-282-085
District Lot 128S, Similkameen Division Yale District

PID: 014-727-587
District Lot 183S, Similkameen Division Yale District

PID: 014-969-815
District Lot 1133S, Similkameen Division Yale District

PID: 014-969-840
District Lot 1134S, Similkameen Division Yale District

(collectively, the "Lands")

to Cooper Creek Cedar Ltd. ("Cooper Creek") pursuant to the Agreement of Purchase and Sale dated September 5, 2008 between Cooper Creek and the Receiver is hereby approved, and the Receiver is authorized to execute such documents and take any other steps as the Receiver deems necessary in order to complete the sale and transfer of the Lands to Cooper Creek.

4. Upon registration at the <*> Land Title Office of a Court certified copy of this Order, together with a letter from Fasken Martineau DuMoulin LLP to the Registrar of Titles at such Land Title Office authorizing the registration of this Order in such Land Title Office and subject to the terms of this Order, all the right, title and interest of the Petitioners and of Ableco in and to the Lands shall be transferred to and vest in Cooper Creek, or its assignee, as registered owner in fee simple without further instrument of transfer or discharge, free and clear of all rights, titles, interest, encumbrances, liens, charges, estates and equities of redemption of the Petitioners and Ableco and their heirs, executors, administrators, successors and assigns and all persons claiming by, through or under them or any of them, but specifically subject to all other registered encumbrances, and this Court declares that it has been proven to the satisfaction of the Court on investigation that the title of Cooper Creek in and to the Lands is a good, safe holding and marketable title and directs the Registrar of the Kamloops Land Title Office to register indefeasible title in favour of Cooper Creek, or its assignee, in the Lands.

5. Endorsement of this Order by counsel appearing on this application, except counsel for the Receiver is hereby dispensed with.

BY THE COURT

DISTRICT REGISTRAR

APPROVED AS TO FORM:

Counsel for PricewaterhouseCoopers Inc.

SCHEDULE "A"

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ADDITIONAL PETITIONERS

Pope & Talbot, Inc.

MacKenzie Pulp Land Ltd.

P&T Funding Ltd.

Penn Timber, Inc.

Pope & Talbot Lumber Sales, Inc.

Pope & Talbot Pulp Sales U.S., Inc.

Pope & Talbot Relocation Services, Inc.

P&T Power Company

P&T Finance Three LLC

