

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) WEDNESDAY, THE 15TH DAY
THE CHIEF JUSTICE) OF OCTOBER 2008
)

Lisa Sulek

WSK

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

THIS COURT DECLARES AND ORDERS THAT:

Lien Claim of Stewart Systems Inc.

1. Stewart Systems Inc. does not have a valid and enforceable lien over any of the assets of any of the Petitioners, whether under the *Woodworker Lien Act*, R.S.B.C. 1996, c. 491 or otherwise.

Post-Filing Claim of Eveready

2. Eveready Industrial Services Corp. is hereby permitted to file a Post-Filing Proof of Claim with PricewaterhouseCoopers Inc. in its capacity as Monitor, and such Post-Filing Claim shall be allowed in the amount of \$45,662.49.

Payment out of Escrow Accounts

3. Interfor and the Receiver are hereby directed to execute joint notices to Deutsche Bank Trust Company Americas (the "Escrow Agent") directing the Escrow Agent to pay to:

- (a) Interfor all funds currently held in the escrow fund established pursuant to the Forestry Services Escrow Agreement dated April 30, 2008 between Interfor and certain of the Petitioners;
- (b) Interfor all funds currently held in the escrow fund established pursuant to the Price Adjustment Escrow Agreement dated April 30, 2008 between Interfor and certain of the Petitioners;
- (c) the Receiver all funds currently held in the escrow fund established pursuant to the Needles Escrow Agreement dated April 30, 2008 between Interfor and certain of the Petitioners.

Approval of Sale of Beaverdell North Lands

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

PID: 014-983-303
District Lot 1206S, Similkameen Division Yale District

and

PID: 014-983-320
District Lot 1207S, Similkameen Division Yale District

(collectively, the "Beaverdell North Lands") to Canoe Creek Resources Ltd. ("Canoe Creek"), or its assignee, pursuant to the Agreement of Purchase and Sale dated October 7, 2008 between Canoe 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 Beaverdell North Lands to Canoe Creek.

5. Upon registration at the Kamloops 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 Beaverdell North Lands shall be transferred to and vest in Canoe 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 Canoe Creek in and to the Beaverdell North 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 Canoe Creek, or its assignee, in the Beaverdell North Lands.

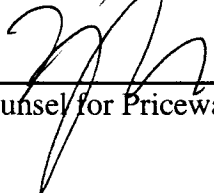
6. Endorsement of this Order by counsel appearing on this application, except counsel for the Receiver is hereby dispensed with.

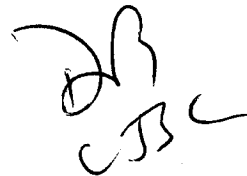
BY THE COURT



~~DISTRICT~~ REGISTRAR

APPROVED AS TO FORM:



Counsel for PricewaterhouseCoopers Inc.

SCHEDULE "A"

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

