

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



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., FPS CANADA INC., FRASER
PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER
PAPERS LIMITED and FRASER N.H. LLC

Applicants

CLAIMS ORDER

THIS MOTION, made by Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC (the "Applicants"), for an Order establishing a claims process for the identification and determination of all Claims (as defined herein) against any of the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants' Notice of Motion dated July 10, 2009, the Affidavits of J. Peter Gordon sworn June 17, July 10 and July 14, 2009, the Third Report of PricewaterhouseCoopers Inc. in its capacity as Court-appointed monitor of the Applicants (the "Monitor") and on hearing from counsel for the Applicants, the Monitor and such other counsel

as were present and on being advised that the Service List as of July 10, 2009 was served electronically with the Applicants' Notice of Motion dated July 10, 2009 herein,

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and further that service upon any interested party other than those parties served is hereby dispensed with.

Definitions and Interpretations

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "Claims Order"), in addition to the terms defined elsewhere in this Claims Order, the following terms shall have the following meanings:

- (a) **"Applicants"** means Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC;
- (b) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (c) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (d) **"Chapter 15 Claims Order"** means a supplemental Order issued by the U.S. Court within the Chapter 15 Proceedings, recognizing this Claims Order as issued by the Court;
- (e) **"Chapter 15 Proceedings"** means the proceedings commenced by the Applicants on June 18, 2009 in the Delaware Court under Chapter 15 of the United States Bankruptcy Code Case No. 09-12123 (KJC) in which these proceedings were

recognized as a foreign main proceeding in the United States of America (the “United States”);

(f) **“Claim”** means:

(i) a Restructuring Claim;

(ii) a Secured Claim; and/or

(iii) the rights of any Person whatsoever, including any Secured Creditor, against one or more of the Applicants and/or Directors, whether or not asserted and however acquired, in connection with any indebtedness, liability or obligation of any kind of one or more of the Applicants and/or Directors in existence on the Claim Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, direct or indirect, by guarantee, surety, insurance deductible or otherwise, and whether or not such claim or right arises out of a contract that is executory or anticipatory in nature or any other claims that would have been claims provable in bankruptcy had the applicable Applicant become bankrupt on the Claim Date;

provided however, that in all cases “Claim” shall not include an Excluded Claim;

(g) **“Claims Bar Date”** means 5:00 p.m. (Eastern Standard Time) on September 30, 2009, or such later date as may be ordered by this Court;

(h) **“Claim Date”** means June 18, 2009, which shall be the date for determining all Claims under this Claims Order;

- (i) **“Claims Officer”** means the individual(s) designated by the Court pursuant to paragraph 11 of this Claims Order and such other Persons as may be designated by the Applicants, acceptable to the Monitor and approved by the Court;
- (j) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (k) **“Creditor”** means any Person having a Claim and includes without limitation the transferee or assignee of a Claim or a trustee, liquidator, receiver, receiver and manager, or other Person acting on behalf of such Person;
- (l) **“Creditor's Dispute Package”** means a copy of the Notice of Revision or Disallowance associated with the Creditor's Proof of Claim and the Dispute Notice;
- (m) **“Directors”** means those individuals who are or were previously directors or officers of any one or more of the Applicants;
- (n) **“Disputed Claim”** means a Claim in respect of which the Monitor has received a Dispute Notice;
- (o) **“Dispute Notice”** means the notice delivered by a Creditor to the Monitor with respect to a Claim pursuant to paragraph 34 which shall be substantially in the form attached as Schedule ‘E’ hereto;
- (p) **“Excluded Claim”** means, without prejudice to the Applicants' right to seek amendments to this Claims Order and to propose a treatment of claims under the Plan and subject to further order of this Court, and only for the purposes of the claims process described herein:

- (i) Claims secured by the Directors' Charge or the Administration Charge, each as defined in the Initial Order, and any further charge as may be ordered by this Court;
- (ii) Claims of the Directors pursuant to an indemnity from any Applicant which are not otherwise covered by the Directors' Charge;
- (iii) Claims imposed by statute and referred to in Section 18.2 of the CCAA; and
- (iv) Claims to be treated as unaffected pursuant to paragraph 43 of the Initial Order.

- (q) **"Filing Date"** means June 18, 2009;
- (r) **"Initial Order"** means the Order of the Honourable Mr. Justice Morawetz dated June 18, 2009, as amended, extended, restated or varied from time to time;
- (s) **"Instruction Letter"** means the instruction letter to Creditors, in substantially the form attached as Schedule 'B' hereto, regarding the completion of a Proof of Claim by a Creditor and the claims process described herein;
- (t) **"Known Creditor"** means:
 - (i) any Person that the financial or other records of an Applicant as of the Claim Date disclose had, or may be entitled to assert, a Claim, where monies in respect of such Claim remain unpaid in full or in part, without acknowledging in any respect the validity or existence of any such Claim; and
 - (ii) Secured Creditors;

- (u) **“Monitor”** means PricewaterhouseCoopers Inc.;
- (v) **“Notice of Revision or Disallowance”** means the notice delivered by the Monitor to a Creditor in accordance with paragraph 32 hereof which forms part of the Creditor’s Dispute Package, which shall be substantially in the form attached as Schedule ‘D’ hereto;
- (w) **“Notice to Creditors”** means the notice to Creditors for publication in accordance with paragraph 16 hereof, which shall be substantially in the form attached as Schedule ‘A’ hereto;
- (x) **“Other Insolvency Proceeding”** means any voluntary or involuntary bankruptcy, receivership, liquidation, winding up or other realization process or proceeding involving the Applicants at any time and in any jurisdiction, including but limited to any proceedings under the *Bankruptcy and Insolvency Act* (Canada) and the United States *Bankruptcy Code*, whereby the claims of creditors are determined and the assets of the Applicants are distributed for the benefit of their creditors;
- (y) **“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted;
- (z) **“Plan”** means the proposed plan(s) of compromise or arrangement to be filed by the Applicants pursuant to the CCAA, as same may be amended, supplemented or restated from time to time;

- (aa) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its purported Claim, which shall be substantially in the form attached as Schedule ‘C’ hereto and which shall include all supporting documentation in respect of such Claim;
- (bb) **“Proof of Claim Document Package”** means a document package which shall include a copy of the Instruction Letter, a Proof of Claim and such other materials as the Monitor or Applicants may consider appropriate or desirable;
- (cc) **“Proven Claim”** means a Claim filed by the Claims Bar Date or the Restructuring Claims Bar Date, as the case may be, in respect of which the Monitor has not sent a Dispute Package to the Creditor asserting the Claim and which the Monitor accepts for voting and distribution purposes;
- (dd) **“Restructuring Claim”** means any right of any Person against one or more of the Applicants in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the restructuring, repudiation or termination after the Filing Date of any contract, lease or other agreement whether written or oral provided, however a “Restructuring Claim” shall not include Excluded Claims;
- (ee) **“Restructuring Claims Bar Date”** means 5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan;

- (ff) **“Secured Creditor”** means any Creditor holding a Claim, any portion of which is, or was at the Claim Date, a Secured Claim;
- (gg) **“Secured Claim”** means that portion of a Claim of a Secured Creditor that is: (i) secured by security validly charging or encumbering property or assets of any of the Applicants (including statutory and possessory liens that create security interests) up to the value of such collateral; and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Claim Date;
- (hh) **“Supervising Judge”** means the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List);
- (ii) **“U.S. Court”** means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 15 Proceedings;
- (jj) **“Valuation Date”** means June 18, 2009;
- (kk) **“Website”** means the website of the Monitor, www.pwc.com/car-fraserpapers.

3. **THIS COURT ORDERS** that all reference to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day in Toronto unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

5. **THIS COURT ORDERS** that references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

General Provisions

6. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to use reasonable discretion as to the adequacy of compliance with this Claims Order, including, without limitation, with respect to the manner and timing in which Proofs of Claim, Notices of Revision or Disallowance and Dispute Notices are completed executed and delivered and may, where the Monitor is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Order as to completion execution and delivery of Proofs of Claim, Notices of Revision or Disallowance and Dispute Notices and request any further documentation the Monitor may require in order to enable it to determine the validity of a Claim.
7. **THIS COURT ORDERS** that any Claim denominated in any currency other than United States dollars shall, for the purposes of this Claims Order only (and without prejudice to the terms of any Plan which may be filed by the Applicants pursuant to the CCAA), be converted to and shall constitute obligations in United States dollars, such calculation to be effected using the Bank of Canada noon spot rate on the Valuation Date (exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

Monitor's Role in Claims Process

8. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall implement and oversee the claims process provided for herein, including the determination of Claims of Creditors as provided for herein, and is hereby directed and

empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Order.

9. **THIS COURT ORDERS** that the Monitor may apply to this Court for directions regarding its obligations in respect of the claims process provided for in this Claims Order.
10. **THIS COURT ORDERS** that the Monitor shall not have any responsibility or liability with respect to any information, confidential or otherwise, including without limitation, a Proof of Claim Document Package, a Creditor's Dispute Package or otherwise, distributed, circulated or released, whether intentional or unintentional, by the Monitor relating to the exercise of its powers and discharge of its obligations under this Claims Order. The Monitor shall be entitled to rely on the Applicants' advice and the Applicants' books and records for all purposes including establishing the names and addresses of Known Creditors. In addition to the rights and protections afforded to the Monitor under the CCAA and the Initial Order or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the fulfillment of its duties in the carrying out of the provisions of this Claims Order, save and except for any gross negligence or wilful misconduct on its part.

Claims Officer

11. **THIS COURT ORDERS** that the Honourable John D. Ground and such other Persons as may be designated by the Applicants, acceptable to the Monitor and approved by the Court, be and are hereby appointed as Claims Officers for the purpose of resolving any Disputed Claims in accordance with the claims process described herein.

12. **THIS COURT ORDERS** that, subject to the discretion of the Court, the Claims Officer shall determine the validity and amount of Disputed Claims in accordance with this Claims Order and, to the extent necessary, may determine whether any Claim or part thereof constitutes an Excluded Claim. The Claims Officer shall determine all procedural matters that may arise in respect of its determination, including the manner in which any evidence may be adduced. The Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid.
13. **THIS COURT ORDERS** that the Claims Officer shall be entitled to reasonable compensation for the performance of its obligations set out in this Claims Order on the basis of the hourly rate customarily charged by the Claims Officer in performing comparable functions to those set out in this Claims Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officer shall be borne by the Applicants and shall be paid by the Applicants forthwith upon receipt of each invoice tendered by the Claims Officer.
14. **THIS COURT ORDERS** that the Administrative Charge (as defined in the Initial Order) is hereby amended and extended to include and to secure the fees and expenses of the Claims Officer provided for in this paragraph 14, and is hereby increased to the aggregate principal amount of \$850,000. The Administrative Charge as amended by this Claims Order shall continue to secure any claims in favour of the beneficiaries referred to in the Initial Order up to the aggregate amount of \$750,000, and shall also secure any claims of the Claims Officer up to the amount of \$100,000.

15. **THIS COURT ORDERS** that the Claims Officer shall incur no liability or obligation as a result of its appointment or the fulfilling of its duties in carrying out of the provisions of this Claims Order, save and except for any gross negligence or wilful misconduct on its part. The Applicants shall indemnify and hold harmless the Claims Officer with respect to any liability or obligation as a result of its appointment or the fulfilling of its duties in carrying out the provisions of this Claims Order, save and except for any gross negligence or wilful misconduct on its part. No action, application or other proceeding shall be commenced against the Claims Officer as a result of, or relating in any way to its appointment as the Claims Officer, the fulfillment of its duties as the Claims Officer or the carrying out of any Order of this Court except with leave of this Court being obtained, and notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the Claims Officer at least seven (7) days prior to the return date of any such motion for leave.

Publication of Notice to Creditors

16. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors to be published on or before August 12, 2009 in each of (i) The Globe and Mail (National Edition) and (ii) The Wall Street Journal (U.S. Edition).
17. **THIS COURT ORDERS** that electronic copies of the Claims Order, the Notice to Creditors and the Proof of Claim Document Package shall be posted on the Website.

Notice to Known Creditors

18. **THIS COURT ORDERS** that the Applicants shall advise the Monitor of all Known Creditors, including the amounts owed to all Known Creditors and their last known address pursuant to the Applicants' books and records, and that the Monitor shall be

entitled to rely on the accuracy and completeness of the information provided by the Applicants regarding the Known Creditors. For greater certainty, the Monitor shall have no liability in respect of the information provided to it regarding the Known Creditors and shall not be required to conduct any independent inquiry and/or investigation with respect to such information.

19. THIS COURT ORDERS that:

- (a) The Monitor shall send a copy of the Proof of Claim Document Package to each Known Creditor as soon as practicable to the last known address for such Creditor on the Applicants' books and records, but in no event later than 5:00 p.m. on or before August 14, 2009. The delivery of the Proof of Claim Document Package to a Creditor shall not constitute an admission by the Applicants or the Monitor of any liability of the Applicants to any Person;
- (b) The Monitor shall send a copy of the Proof of Claim Document Package to each Creditor with a Restructuring Claim that arose after the Filing Date but prior to the Restructuring Claims Bar Date as soon as practicable, but in any event, no later than twenty-one (21) days prior to the date fixed by this Court for voting upon a Plan; and
- (c) The Monitor shall send as soon as practicable following receipt of a request therefore and provided such request is received prior to the Claims Bar Date or Restructuring Claims Bar Date, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material, or in the

alternative, notify the purported Creditor that it may obtain an electronic copy of the Proof of Claim Document Package on the Website.

Any such service and delivery by the Monitor for all purposes under the Order shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by prepaid registered mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (iii) if by courier, on the next following Business Day for courier deliveries within Canada, and on the third following Business Day for courier deliveries outside of Canada; (iv) if sent by personal delivery, on the same date as delivery; (v) if sent by electronic communication, on the same date as the electronic communication is sent or, if sent on a day that is not a Business Day or after 5:00 (Eastern Standard Time) on a Business Day, the following Business Day; and (vi) if sent by fax, on the date on which the Monitor receives a successful facsimile transmission report or, if sent on a day that is not a Business Day or after 5:00 (Eastern Standard Time) on a Business Day, the following Business Day;

20. **THIS COURT ORDERS** that service and delivery of the Proof of Claim Document Package, the Creditor's Dispute Package and any other correspondence from the Monitor to any Creditor shall be by ordinary mail, prepaid registered mail, courier, personal delivery, electronic communication or facsimile transmission.

21. **THIS COURT ORDERS** that the Claims Bar Date shall be 5:00 p.m. (Eastern Standard Time) on September 30, 2009, or such later date as may be ordered by this Court.
22. **THIS COURT ORDERS** that the Restructuring Claims Bar Date shall be 5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan.
23. **THIS COURT ORDERS** that service by the Monitor of the Proof of Claim Document Package on Creditors and publication of the Notice to Creditors in the manner set forth herein shall constitute good and sufficient service upon the Creditors of notice of these proceedings, this Claims Order, the Claims Bar Date, the Restructuring Claims Bar Date and the related deadlines and procedures set forth herein, and that no other form of service or notice need be made by the Applicants or the Monitor to any Person, and no other document or material need be served on any Person in respect of the claims process detailed herein.
24. **THIS COURT ORDERS** that the form and substance of each of the Notice to Creditors, Instruction Letter, Proof of Claim, Notice of Revision or Disallowance and Dispute Notice substantially in the forms attached as Schedules 'A', 'B', 'C', 'D' and 'E' respectively to this Claims Order, are hereby approved. Despite the foregoing, the Applicants and the Monitor may, from time to time, make minor changes to such forms as the Applicants and the Monitor consider necessary or desirable.

Filing of Proofs of Claim

25. **THIS COURT ORDERS** that any Person asserting a Claim against one or more of the Applicants or the Directors shall file a Proof of Claim (including all supporting documentation) with the Monitor on or before the Claims Bar Date.
26. **THIS COURT ORDERS** that any Person asserting a Restructuring Claim against one or more Applicants or Directors shall file a Proof of Claim with the Monitor on or before the Restructuring Claims Bar Date.
27. **THIS COURT ORDERS** that each Creditor shall file a single Proof of Claim including each individual Applicant and/or Director against whom it asserts a Claim.
28. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim as provided for in paragraphs 25, 26 and 27 hereof so that such Proof of Claim is actually received by the Monitor on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or such later date as the Monitor and the Applicants may agree in writing or this Court may otherwise order:
 - (a) shall be and is hereby forever barred from making or enforcing any Claim as against any Applicant and/or Directors, and all such Claims shall be forever extinguished;
 - (b) shall be and is hereby forever barred from making or enforcing any Claim as against any other Person who could claim contribution or indemnity from an Applicant and/or Director;
 - (c) shall not be entitled to any further notice of any Orders made or steps taken in these proceedings; and

(d) shall not be entitled to participate as a Creditor in these proceedings and shall not be entitled to vote at any meetings of Creditors or to receive any distribution in respect of a Plan.

29. **THIS COURT ORDERS** that Creditors with Excluded Claims shall not be required to file a Proof of Claim in this process, unless required to do so by further order of this Court.

Determination of Claims

30. **THIS COURT ORDERS** that the Monitor shall review each Proof of Claim received by the Claims Bar Date or Restructuring Claims Bar Date, as applicable, and shall either accept, revise or disallow the amount claimed for voting and/or distribution purposes under a Plan which may be filed by the Applicants. For greater certainty, and without limiting the foregoing, notwithstanding that the validity and quantum of a Claim as set out in a Proof of Claim may be accepted, in whole or in part, for voting purposes, the Monitor may dispute the validity or quantum of such Claim, in whole or in part, for distribution purposes in respect of a Plan.

31. **THIS COURT ORDERS** that the acceptance of any Claim by the Monitor or other determination of same in accordance with this Order, in full or in part, and whether for voting and/or distribution purposes, shall not constitute an admission of any fact, thing, liability, or quantum of any claim by any party, save and except in the context of the within proceedings and for the sole purposes of a Plan.

Notices of Revision or Disallowance

32. **THIS COURT ORDERS** that if the Monitor disputes the validity and/or amount of a Claim set forth in a Proof of Claim, in whole or in part, the Monitor:

- (a) may attempt to consensually resolve the validity and/or amount of the Claim with the Creditor; and/or failing such resolution
- (b) shall send a Creditor's Dispute Package to the Creditor by no later than 5:00 p.m. (Eastern Standard Time) on October 23, 2009.

33. **THIS COURT ORDERS** that any Claim received by the Claims Bar Date or the Restructuring Claims Bar Date, as the case may be, in respect of which the Monitor does not send a Creditor's Dispute Package shall be deemed a Proven Claim.

Dispute Notices

34. **THIS COURT ORDERS** that any Creditor who receives a Creditor's Dispute Package

and who does not agree with the amount of the Claim set out in the Notice of Revision or Disallowance, shall file a Dispute Notice with the Monitor by no later than 5:00 p.m. (Eastern Standard Time) on November 6, 2009.

35. **THIS COURT ORDERS** that if a Creditor who receives a Creditor's Dispute Package

does not file a Dispute Notice in accordance with paragraph 34 hereof, then the value of such Creditor's Claim, as described by the Monitor in the Notice of Revision or Disallowance, for all purposes, including but not limited to voting on any Plan and any distribution to Creditors, shall be deemed to be accepted as final and binding in all respects.

36. **THIS COURT ORDERS** that, upon receipt of a Dispute Notice, the Monitor may attempt to consensually resolve the amount of the Claim for voting and/or distribution purposes with the Creditor and/or deliver a copy of the Creditor's Dispute Package and the Creditor's Proof of Claim to the Claims Officer for determination.
37. **THIS COURT ORDERS** that if the Monitor is unable to resolve the dispute in respect of a Claim, such Claim may be accepted by the Monitor and the Applicants for voting purposes only, in which case the Claim shall be determined for all other purposes, including but not limited to distribution, by a Claims Officer in accordance with paragraph 40 hereof.
38. **THIS COURT ORDERS** that, notwithstanding any other provisions of this Order, prior to a hearing date being set by the Claims Officer, (i) the Monitor or (ii) any Applicant may apply to this Court to seek leave to have a Claim determined by the Supervising Judge for voting and/or distribution purposes, rather than having the Claim first determined by the Monitor or secondly by the Claims Officer as provided herein.
39. **THIS COURT ORDERS** that, notwithstanding anything herein to the contrary, the Monitor or the Applicants may move before this Court to resolve or seek directions in respect of the validity, effect and/or quantum of any Claim or any other aspect of the claims process outlined in this Claims Order.

Claims Officer's Hearing for Claims

40. **THIS COURT ORDERS** that upon receipt of a Creditor's Dispute Package and the Creditor's Proof of Claim, the Claims Officer determining the dispute shall determine the Creditor's Claim for voting purposes. The Claims Officer reviewing the Disputed Claim

shall notify the Applicants, the Monitor and the Creditor of the Claims Officer's determination of the Creditor's Claim for voting purposes as soon as practicable after such determination. Notwithstanding anything contained in this Claims Order, subject to further order of the Court, nothing shall prejudice or delay the ability of the Applicants to hold a meeting of creditors.

41. **THIS COURT ORDERS** that upon receipt of a Creditor's Dispute Package and the Creditor's Proof of Claim the Claims Officer hearing the dispute shall schedule and conduct a hearing in Toronto to determine the value of the Creditor's Claim for distribution purposes. The Claims Officer hearing the dispute shall notify the Applicants, the Monitor and the Creditor of the Claims Officer's determination of the value of the Creditor's Claim for distribution purposes as soon as practicable thereafter, but in no event later than thirty (30) calendar days after the conclusion of the hearing of the Disputed Claim.
42. **THIS COURT ORDERS** that, in the discretion of the Claims Officer, the determination of a Disputed Claim for voting and distribution purposes may be made at a single hearing.
43. **THIS COURT ORDERS** that, subject to paragraph 12 hereof, the parties to the Disputed Claim may offer evidence in support of or in opposition to the Disputed Claim, and the Claims Officer shall determine the manner in which any such evidence may be brought before him by the parties, as well as any other procedural or evidentiary matters that may arise in respect of the hearing of a Disputed Claim, including, without limitation, the production of documents by any of the parties involved in the hearing of a

Disputed Claim; provided, for greater certainty, that the hearing on the Disputed Claim and all such determinations made therein and in connection therewith, including procedural or evidentiary matters, shall be made in accordance with applicable common law in the Province of Ontario.

44. **THIS COURT ORDERS** that the Claims Officer may, at any time, engage such advisors as it deems necessary or appropriate to inquire into and report on any questions of fact, opinion or law relating to the hearing of a Disputed Claim.

Appeal of Claims Officer Determination

45. **THIS COURT ORDERS** that the Applicants, the Monitor or the Creditor may, at his/her/its/their own expense, appeal the Claims Officer's determination of a Disputed Claim to this Court within ten (10) calendar days of notification of the Claims Officer's determination of such Creditor's Claim by serving upon the Applicants or the Creditor, as applicable, and the Monitor and filing with this Court a notice of motion returnable on a date to be fixed by this Court as soon as practicable. If an appeal is not filed within such period in strict accordance with this Order, then the Claims Officer's determination shall, subject to further order of this Court, be final and binding in all respects, with no further right of appeal.
46. **THIS COURT ORDERS** that any appeal of the Claims Officer's determination of a Disputed Claim shall be limited to an appeal for distribution purposes only.
47. **THIS COURT ORDERS** that, notwithstanding paragraph 45 and 46 hereof, findings of fact made by a Claims Officer in respect of a Disputed Claim shall be final and binding and shall not be subject to review on appeal to this Court, unless the Court determines

that said findings of fact made by the Claims Officer constitute a palpable and overriding error.

Set-Off

48. **THIS COURT ORDERS** that the Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to a Plan to any Creditor, any claims of any nature whatsoever that any of the Applicants may have against such Creditor, however, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Applicants of any such claim that the Applicants may have against such Creditor.

Transfer of Claims

49. **THIS COURT ORDERS** that if, after filing a Proof of Claim, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Applicants shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Order prior to receipt and acknowledgment by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any defences and rights of set-off to which an Applicant may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claim assigned or transferred to it against or on

account or in reduction of any amounts owing by such Person to any of the Applicants. No transfer or assignment shall be received for voting purposes unless such transfer shall have been received by the Monitor at least ten (10) Business Days prior to the date fixed by the Court for voting upon a Plan.

50. **THIS COURT ORDERS** that if, after filing a Proof of Claim, the holder or subsequent holder of the whole of a Claim who has been acknowledged by the Monitor as the Creditor in respect of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create separate Claims and such Claim shall continue to constitute and be dealt with as a single Claim. Notwithstanding such transfer or assignment, the Applicants and the Monitor shall, in each such case, not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided that such Creditor may, by notice in writing to the Monitor in accordance with paragraph 51, direct the subsequent dealings in respect of such Claim, but only as a whole. In such event, such transferee or assignee of the Claim shall be bound by any notices given or steps taken in respect of the whole of such Claim in accordance with this Claims Order.

Service and Notice

51. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Claims Order by a Creditor to the Monitor shall be in writing in the form provided for in this Claims Order and will be sufficiently given only if delivered by regular mail, prepaid registered mail,

courier, personal delivery, electronic communication or facsimile transmission addressed to:

By Registered Mail or Courier:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

Any such notice or other communication delivered by a Creditor shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

52. **THIS COURT ORDERS** that if, during any period in which notices or other communications are being given pursuant to this Claims Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, or facsimile transmission in accordance with this Claims Order.

Miscellaneous

53. **THIS COURT ORDERS** that notwithstanding any other provision of this Claims Order, the solicitation by the Monitor or the Applicants of Proofs of Claim, and the filing by any

Person of any Proof of Claim shall not, for that reason only, grant any Person any standing or rights under any proposed Plan or constitute that Person as a Creditor for any purposes whatsoever.

54. **THIS COURT ORDERS** that nothing in this Claims Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims by the Applicants into particular classes for the purposes of a Plan and, for greater certainty, the treatment of Claims and the classes of creditors for voting and distribution purposes shall be subject to the terms of any proposed Plan or further order of this Court.
55. **THIS COURT ORDERS** that if any Plan filed by the Applicants is not approved and the Applicants enter into any Other Insolvency Proceeding, the claims process established by this Claims Order may, at the option of the Applicants, constitute and be deemed to be the complete and final claims process for any such Other Insolvency Proceedings; subject to approval of this Claims Order and the claims process established herein and conducted hereunder by further Order of this Court and supplemental Order of the U.S. Court entered in connection with those Other Insolvency Proceedings.

Effect, Recognition, Assistance

56. **THIS COURT ORDERS** that the Applicants, the Monitor and the Claims Officer may, from time to time, apply to this Court for advice and directions in connection with any matter or thing relating to this Claims Order.
57. **THIS COURT ORDERS** that this Claims Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

58. **THIS COURT ORDERS AND REQUESTS** the aid, recognition and assistance of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States, including the U.S. court presiding over the Chapter 15 Proceedings, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this order. Each of the Applicants and the Monitor shall be at liberty, and are hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such other steps, in Canada or in the United States, as may be necessary or advisable to give effect to this Order and any other Order granted by this Court.

Repsall, C

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

JUL 15 2009

PER / PAR:

SCHEDULE 'A'

NOTICE TO CREDITORS AND OTHERS OF FILING CLAIMS AS AGAINST:

**FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC
(collectively, the "CCAA Parties") and THEIR FORMER AND CURRENT OFFICERS
AND DIRECTORS (collectively, the "Directors")**

RE: NOTICE OF CLAIMS PROCESS, CLAIMS BAR DATE and RESTRUCTURING CLAIMS BAR DATE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made July 15, 2009 (the "Claims Order"). The Court has ordered that the Court-appointed Monitor of the CCAA Parties, PricewaterhouseCoopers Inc. (the "Monitor"), send Proof of Claim Document Packages to the Known Creditors of the CCAA Parties as part of the Court-approved claims process (the "Claims Process"). All capitalized terms shall have the meaning given to those terms in the Claims Order.

The Claims Order, the Proof of Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's web site at www.pwc.com/car-fraserpapers.

Please take notice that any person who believes that they have a Claim against any of the CCAA Parties or their former and/or current Directors that existed as at the date of the Initial Order must send a Proof of Claim to the Monitor to be received **before 5:00 p.m. (Eastern Standard Time) on September 30, 2009** (the "Claims Bar Date"). Any person who believes that they have a Restructuring Claim against any of the CCAA Parties and/or Directors arising out of the restructuring, repudiation or termination after June 18, 2009 of any contract, lease or other agreement, whether oral or written, by any of the Applicants must send a Proof of Claim to the Monitor to be received **before 5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan** (the "Restructuring Claims Bar Date").

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED, INCLUDING ANY CLAIM(S) AGAINST THE DIRECTORS.

Reference should be made to the Claims Order for the complete definition of "Claim" and "Restructuring Claim" to which the Claims Process applies.

The Monitor can be contacted at the following address to request a Proof of Claim Document Package for any other notices or enquiries with respect to the Claims Process:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

SCHEDULE 'B'

**INSTRUCTION LETTER
FOR THE CLAIMS PROCEDURE FOR
FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC
(collectively, the "Applicants") and THEIR FORMER AND CURRENT OFFICERS AND
DIRECTORS (collectively, the "Directors")**

CLAIMS PROCESS

By Order of the Honourable Madam Justice Pepall dated July 15, 2009 (as may be amended from time to time, the "Claims Order") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"), PricewaterhouseCoopers Inc., in its capacity as Court-appointed Monitor of the Applicants, has been authorized to conduct a claims process (the "Claims Process"). A copy of the Claims Order can be obtained from the Monitor's website at www.pwc.com/car-fraserpapers.

This letter provides general instructions for completing the Proof of Claim form. As of the date of this instruction letter, there have been no proposed plans of arrangement or compromise pursuant to the CCAA. Capitalized terms not defined within this instruction letter shall have the meaning set out in the Claims Order. You should review the Claims Order carefully for all terms defined therein.

The Claims Process is intended for any Person with a Claim of any kind or nature whatsoever, including a Restructuring Claim, other than an Excluded Claim, against any or all of the Applicants and/or Directors arising on or prior to June 18, 2009, whether unliquidated, contingent or otherwise or arising out of the restructuring, repudiation or termination after June 18, 2009 of any contract, lease or other agreement, whether oral or written, by any of the Applicants.

All notices and inquiries with respect to the Claims Process should be directed to the Monitor by regular mail, prepaid registered mail, courier, personal delivery, electronic communication or facsimile transmission at the address below:

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants

By Registered Mail or Courier:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.

Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

FOR CREDITORS SUBMITTING A PROOF OF CLAIM FORM

If you believe that you have a Claim against any or all of the Applicants and/or Directors you must file a Proof of Claim form with the Monitor. All Proofs of Claim for Claims arising prior to June 18, 2009 must be received by the Monitor **before 5:00 pm (Eastern Standard Time) on September 30, 2009 (the “Claims Bar Date”)**, unless the Monitor and the Applicants agree in writing or the Court orders that the Proof of Claim be accepted after that date. All Proofs of Claim for Restructuring Claims arising out of the restructuring, repudiation or termination after June 18, 2009 of any contract, lease or other agreement, whether oral or written, by any of the Applicants must be received by the Monitor **before 5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan (the “Restructuring Claims Bar Date”)**. If your claim is not received by the Claims Bar Date or Restructuring Claims Bar Date, it will be forever barred and extinguished and you will not be entitled to participate in any Plan.

All Claims are to be filed in the currency of the transactions. For the purposes of the Claims Process only (and without prejudice to the terms of any plan of arrangement or compromise) Claims in foreign currency will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date (exchange rate conversion on such date was US\$1.00 = CAD\$1.1273).

Additional Proof of Claim forms can be obtained from the Monitor's website at www.pwc.com/car-fraserpapers or by contacting the Monitor at 1-877-332-1688 or fpmonitor@ca.pwc.com and by providing the particulars as to your name, address, facsimile number, email address and contact person. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

DATED this _____ day of _____, 2009.

SCHEDULE 'C'

PROOF OF CLAIM

FOR CREDITORS OF FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC (Each an "Applicant" and collectively, the "Applicants") and THEIR FORMER AND CURRENT OFFICERS AND DIRECTORS (collectively, the "Directors")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Capitalized terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Order of the Superior Court of Justice (Commercial List) dated July 15, 2009, as may be amended from time to time (the "Claims Order").

1. PARTICULARS OF CREDITOR:

(a) Full Legal Name of Creditor (include trade name, if different):

(the "Creditor"). The full legal name should be the name of the Creditor of the Applicant(s), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred prior to or following June 18, 2009.

(b) Full Mailing Address of the Creditor:

The mailing address should be the mailing address of the Creditor and not any assignee.

(c) Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

(d) Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

Yes No

2. PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet that contains all of the required information set out below for each assignee.

(a) Full Legal Name of Assignee:

(b) Full Mailing Address of the Assignee:

Other Contact Information of the Assignee:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

3. PROOF OF CLAIM – CLAIM AGAINST THE APPLICANT(S)

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I:

am a Creditor of one or more of the Applicants; **OR**

am

(state position or title)

of

(name of Creditor)

(b) That I have knowledge of all the circumstances connected with the Claim described and set out below;

(c) The Applicant(s) was and still is indebted to the Creditor as follows (include all Claims that you assert against the Applicant(s). Claims should be filed in the currency of the transactions, with reference to the contractual rate of interest, if any, and such currency should be indicated as provided below in respect of the following Claim(s):

(complete using original currency and amount)

Applicant	(i) Amount of Claim Outstanding prior to June 18, 2009	(ii) Amount of Restructuring Claim	(iii) Total Claim (Sum of (i) and (ii))	Secured	Unsecured
<input type="checkbox"/> Fraser Papers Inc.	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> FPS Canada Inc.	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fraser Papers Holdings Inc.	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fraser Timber Ltd.	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fraser Papers Limited	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fraser N.H. LLC	\$ _____	\$ _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>

For the purposes of the Claims Order only (and without prejudice to the terms of any plan of arrangement or compromise), Claims will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date. (The exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

4. NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

Applicant: _____

Secured Claim of _____ \$ _____
(Original Currency and amount)

In respect of this debt, I hold security over the assets of the Applicant(s) valued at
\$ _____,
(Original Currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

Unsecured Claim of _____ \$ _____
(Original Currency and amount)

(Give full particulars of the security, including the date on which the security was given
the value which you ascribe to the assets charged by your security, the basis for such
valuation and attach a copy of the security documents evidencing the security.)

(If you are asserting multiple secured claims, against one or more of the Applicants,
please provide full details of your security against each of the Applicants)

5. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the
Applicant(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will
assist in the determination of your Claim. At a minimum, you are required to provide
the invoice date, invoice number, the amount of each outstanding invoice and the
related purchase order number. Further particulars may include the following if
applicable: a description of the transaction(s) or agreement(s) giving rise to the Claim;
contractual rate of interest (if applicable); name of any guarantor which has guaranteed
the Claim; details of all credits, discounts, etc. claimed; description of the security if any,
granted by the affected Applicant(s) to the Creditor, the estimated value of such security
and the basis for such valuation; and the particulars of any Restructuring Claim.

6. PROOF OF CLAIM – CLAIMS AGAINST THE DIRECTOR(S)

**THIS SECTION SHOULD ONLY BE COMPLETED BY A CREDITOR ASSERTING A
CLAIM AGAINST THE DIRECTOR(S). A CREDITOR ASSERTING A CLAIM ONLY
AGAINST THE APPLICANT(S) MUST NOT COMPLETE THIS SECTION.**

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I:

am a Creditor of one or more of the Director(s); **OR**

am

(state position or title)

of

(name of Creditor)

(b) I assert a claim against the following Director(s) (please list below the individual Directors:

(c) That I have knowledge of all the circumstances connected with the Claim described and set out below;

(d) The Director(s) was and still is indebted to the Creditor as follows (include all Claims that you assert against the Director(s). Claims should be filed in the currency of the transactions, with reference to the contractual rate of interest, if any, and such currency should be indicated as provided below) in respect of a Claim arising on or prior to June 18, 2009:

_____ \$ _____
(Original Currency)

(e) The Director(s) was and still is indebted to the Creditor as follows in respect of a Restructuring Claim arising on or after June 18, 2009:

_____ \$ _____

For the purposes of the Claims Order only (and without prejudice to the terms of any plan of arrangement or compromise), Claims will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date. (The exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

7. NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim against the Directors

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

Unsecured Claim of _____ \$ _____
(Original Currency and amount)

Secured Claim of _____ \$ _____
(Original Currency and amount)

In respect of this debt, I hold security over the assets of the Director(s) valued at
\$ _____,
(Original Currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

(Give full particulars of the security, including the date on which the security was given the value which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.)

8. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the Director(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will assist in the determination of your Claim, including the amount, description of transaction(s) and/or agreement(s) giving rise to the Claim, reasons for asserting the Claim against the Director(s) personally, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Director(s) to the Creditor and estimated value of such security and the particulars of any Restructuring Claim.

9. FILING OF CLAIM

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Eastern Standard Time) on September 30, 2009**, unless a Restructuring Claim is being asserted in which case the Proof of Claim form related to your Restructuring Claim only must be received by the Monitor by no later than **5:00 p.m. (Eastern Standard Time) on the date which is the earlier of thirty (30) calendar days after the event giving rise to the Restructuring Claim or seven (7) calendar days prior to the date fixed by the Court for voting upon a Plan (the "Restructuring Claims Bar Date")**, by either regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile transmission at the following address:

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants

By Registered Mail or Courier:

PricewaterhouseCoopers Inc.

Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.,
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

DATED this _____ day of _____, 2009.

Name of Creditor:

(Name)

Per: _____

Name:
Title:
(*please print*)

SCHEDULE 'D'

NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR DISTRIBUTION PURPOSES

FOR CREDITORS OF FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER N.H. LLC (Each an "Applicant" and collectively, the "Applicants") and THEIR FORMER AND CURRENT OFFICERS AND DIRECTORS (collectively, the "Directors")

TO: _____

(Name of Creditor)

Capitalized terms not defined within this Notice of Revision or Disallowance shall have the meaning ascribed thereto in the order of the Ontario Superior Court of Justice (Commercial List) dated July 15, 2009 (the "Claims Order"). **All dollar values contained herein are in United States dollars unless otherwise noted.**

Pursuant to paragraph 34 of the Claims Order, PricewaterhouseCoopers Inc., in its capacity as Court-appointed Monitor of the Applicants, hereby gives you notice that the Monitor, with the assistance of the Applicants, has reviewed your Proof of Claim and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Order, your Claim will be allowed or disallowed as follows:

(a) Fraser Papers Inc.

	<u>Proof of Claim</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(b) FPS Canada Inc.

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(c) Fraser Papers Holdings Inc.

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(d) Fraser Timber Ltd.

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(e) **Fraser Papers Limited**

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(f) **Fraser N.H. LLC**

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

(g) **Claim against Directors**

	<u>Proof of Claim Amount</u>	<u>Amount Allowed by Monitor for:</u>	
		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____
Restructuring Claim	\$ _____	\$ _____	\$ _____

REASON(S) FOR THE REVISION OR DISALLOWANCE

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must deliver to the Monitor a Dispute Notice (in the form enclosed) **by 5:00 p.m. (Eastern Standard Time) on November 6, 2009** either by regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile to the following address. In accordance with the Claims Order, notices are deemed to have been received on the date of actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, on the next Business Day.

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants

By Registered Mail or Courier:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE BY 5:00 P.M. (EASTERN STANDARD TIME) ON NOVEMBER 6, 2009, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this _____ day of _____, 2009.

SCHEDULE 'E'

DISPUTE NOTICE

**FOR VOTING AND/OR DISTRIBUTION PURPOSES
FOR CREDITORS OF FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS
HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED, FRASER
N.H. LLC (Each an "Applicant" and collectively, the "Applicants") and THEIR FORMER
AND CURRENT OFFICERS AND DIRECTORS (collectively, the "Directors")**

Name of Applicant(s) and/or Directors against which a Claim is asserted:

1. Particulars of Creditor

(a) Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

(b) Full Mailing Address of the Creditor:

(c) Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of original Creditor from whom you acquired the Claim, if applicable:

(a) Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

Yes No

(b) Full Legal Name of original creditor(s): _____

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes

For the purposes of the Claims Order only (and without prejudice to the terms of any plan of arrangement or compromise) claims in a foreign currency will be converted to United States dollars at the Bank of Canada noon spot rate as at the Valuation Date (exchange rate conversion on such date was: US\$1.00 = CAD\$1.1273).

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Allowed by Monitor for		Amount Claimed by Creditor for:	
	<u>Voting</u>	<u>Distribution</u>	<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	Unsecured Claim	\$ _____
Secured Claim	\$ _____	\$ _____	Secured Claim	\$ _____
Restructuring Claim	\$ _____	\$ _____	Restructuring Claim	\$ _____

If you are Disputing a Claim against more than one of the Applicants, please complete a Dispute Notice for each disputed Claim.

REASON(S) FOR THE DISPUTE

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must deliver to the Monitor this Dispute Notice by **5:00 p.m. (Eastern Standard Time) on November 6, 2009** either by regular mail, prepaid registered mail, personal service, courier, electronic communication or facsimile transmission to the following address. In accordance with the Claims Order, notices shall be deemed to be received upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Applicants

By Registered Mail or Courier:

PricewaterhouseCoopers Inc.
Monitor of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc.
Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC
77 King Street West
P.O. Box 82, Suite 3000
Royal Trust Tower, TD Centre
Toronto, ON M5K 1G7

Attention: Ms. Mona Law
Telephone: (416) 941-8383 ext. 14294
Fax: (416) 814-3219
Email: mona.law@ca.pwc.com

DATED this _____ day of _____, 2009.

Name of Creditor:

(Name)

Witness

Per: Name:
Title:
(please print)

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.**,
FPS CANADA INC., **FRASER PAPERS HOLDINGS INC.**, **FRASER TIMBER LTD.**, **FRASER PAPERS LIMITED** and **FRASER N.H. LLC**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

CLAIMS ORDER

ThorntonGroutFinnigan LLP
Barristers and Solicitors
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