CANADA

PROVINCE OF QUÉBEC
DISTRICT OF
MONTRÉAL

No.: 500-11-036133-094

SUPERIOR COURT

Commercial Division
Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC., a legal person incorporated under the laws of the State of Delaware, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
ABITIBI-CONSOLIDATED INC., a legal person incorporated under the laws of Canada, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
BOWATER CANADIAN HOLDINGS INC., a legal person incorporated under the laws of the Province of Nova Scotia, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
the other Petitioners listed on Appendices "A", "B" and "C";

Petitioners

And
ERNST & YOUNG INC., a legal person under the laws of Canada, having a place of business at 800 René-Lévesque Blvd. West, Suite 1900, in the City and District of Montréal, Province of Quebec, H3B 1X9;

Monitor

TENTH REPORT OF THE MONITOR
July 10, 2009

INTRODUCTION

1. On April 17, 2009, Abitibi-Consolidated Inc. ("**ACI**") and its subsidiaries listed in Appendix "A" hereto (collectively with ACI, the "**ACI Petitioners**") and Bowater Canadian Holdings Incorporated ("**BCHI**") and its subsidiaries listed in Appendix "B" hereto (collectively with BCHI, the "**Bowater Petitioners**") (the ACI Petitioners and the Bowater Petitioners are collectively referred to herein as the "**Petitioners**") filed for and obtained protection from their creditors under the Companies' Creditors Arrangement Act (the "**CCAA**" and the "**CCAA Proceedings**") pursuant to an Order of this Honourable Court (the "**Initial Order**").

2. Pursuant to the Initial Order, Ernst & Young Inc. ("**EYI**") was appointed as monitor of the Petitioners (the "**Monitor**") under the CCAA and a stay of proceedings in favour of the Petitioners was granted until May 14, 2009 (the "**Stay Period**"). On May 14, 2009, the Stay Period was extended until September 4, 2009 pursuant to an Order of this Honourable Court (the "**First Stay Extension Order**").

3. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. ("**BI**"), and certain of their direct and indirect U.S. and Canadian subsidiaries, including BCHI and Bowater Canadian Forest Products Inc. ("**BCFPI**") (collectively referred to herein as "**U.S. Debtors**"), filed voluntary petitions (collectively, the "**Chapter 11 Proceedings**") for relief under Chapter 11 of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "**U.S. Bankruptcy Code**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**"). On April 17, 2009, the U.S. Bankruptcy Court granted certain interim and final orders (the "**First Day Orders**") and set dates for the final hearing of the motions for which the U.S. Bankruptcy Court granted the interim orders.

4. The Petitioners are all subsidiaries of ABH (ABH, collectively with its subsidiaries, the "**ABH Group**").

5. On April 17, 2009, ABH and the petitioners listed on Appendix "C" hereto (collectively with ABH, the "**18.6 Petitioners**") obtained Orders under Section 18.6 of the CCAA in respect of voluntary proceedings initiated under Chapter 11 of the U.S. Bankruptcy Code and EYI was appointed as the information officer in respect of the 18.6 Petitioners (the "**Information Officer**").

6. On April 16, 2009, ACI and ACCC filed petitions for recognition under Chapter 15 of the U.S. Bankruptcy Code. On April 21, 2009, the U.S. Bankruptcy Court granted the recognition orders under Chapter 15 of the U.S. Bankruptcy Code.

7. On April 22, 2009, the Court amended the Initial Order to extend the stay of proceedings to the partnerships listed in Appendix "D" hereto.

BACKGROUND

8. ABH is one of the world's largest publicly traded paper and forest product companies. It produces a wide range of newsprint and commercial printing papers, market pulp and wood products. As at December 31, 2008, the ABH Group employed approximately 15,800 people, approximately 11,300 of which work in ACI's and BI's Canadian operations. The ABH Group owns interests in or operates 35 pulp and paper mills, 24 sawmills (others have been permanently closed), 5 wood products facilities and 32 recycling facilities located in Canada, the United States, the United Kingdom and South Korea.

9. Incorporated in Delaware and headquartered in Montreal, Quebec, ABH functions as a holding company and its business is conducted principally through four direct subsidiaries: BI, Bowater Newsprint South LLC ("**Newsprint South**") (BI, Newsprint South and their respective subsidiaries are collectively referred to as the "**BI Group"**), ACI (ACI and its subsidiaries are collectively referred to as the "**ACI Group**") and AbitibiBowater US Holding LLC ("**ABUSH**") (ABUSH and its respective subsidiaries are collectively referred to as the "**DCorp Group"**).

10. ACI is a direct and indirect wholly-owned subsidiary of ABH. ABH wholly owns BI which in turn, wholly owns BCHI which, in turn, indirectly owns BCFPI which carries on the main Canadian operations of BI.

11. ACCC, a wholly-owned subsidiary of ACI, and BCFPI hold the majority of ABH's Canadian assets and operations.

PURPOSE

12. The Purpose of this Tenth Report (the "**Tenth Report**") is to report to this Honourable Court with respect the motion by the Regie des Rentes du Quebec (the "**Regie**") for the issuance of special orders with respect to the current service contributions of certain pension plans of the Petitioners.

TERMS OF REFERENCE

13. In preparing this Tenth Report, the Monitor has been provided with and, in making comments herein, has relied upon unaudited financial information, the ABH Group's books and records, financial information and projections prepared by the ABH Group and discussions with management of the ABH Group (the "**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Tenth Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future-oriented financial information referred to in this Report was prepared by the ABH Group based on Management's estimates and assumptions. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

14. Capitalized terms not defined in this Tenth Report are as defined in the previous reports of the Monitor and the Initial Order. All references to dollars are in U.S. currency unless otherwise noted.

15. Copies of all of the Monitor's Reports, in both English and French, including a copy of this Tenth Report, and all motion records and Orders in the CCAA Proceedings will be available on the Monitor's website at www.ey.com/ca/abitibibowater. The Monitor has also established a bilingual toll free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.

16. Copies of all of the U.S. Bankruptcy Court's orders are posted on the website for Epiq Bankruptcy Solutions LCC ("**Epiq**") at http://chapter11.epiqsystems.com/abitibibowater. The Monitor has included a link to Epiq's website from the Monitor's website.

PENSION PLANS

The ACI Group

17. The ACI Group maintains 20 registered pension plans for Canadian employees. The pension plans consist of defined benefit plans, defined contribution plans and some that operate on a hybrid basis. Mercer (Canada) Limited ("**Mercer**") has recently updated its estimates of the plans and it has advised the Monitor that as at December 31, 2008, the aggregate solvency deficit of the defined plans (including the hybrid plans as applicable) was estimated to be approximately CND $903 million. The funded ratio was estimated to be approximately 77%, meaning that should the pension plan be wound up immediately there are only sufficient assets to satisfy 77% of the estimated liabilities under the pension plan.

18. The estimated current service contributions for the ACI Group pension plans for 2009 are CND $29.3 million based on a going concern basis. The going concern basis of calculation assumes the pension plans will continue indefinitely.

<u>BCFPI</u>

19. BCFPI maintains 13 registered pension plans for Canadian employees. The pension plans consist of defined benefit plans, defined contribution plans and some operate on a hybrid basis. Mercer's updated aggregate solvency deficit estimate as at December 31, 2008 of the defined benefit plans (including the hybrid plans as applicable) was estimated to be approximately CDN $388 million. The funded ratio was estimated to be approximately 79%.

20. The estimated current service contributions for 2009 for BCFPI are CND $8.9 million based on a going concern basis as described above.

21. By Order of this Honourable Court on May 8, 2009, special payments for past service contributions in the amount of approximately CND $8.5 million per month (CND $102.4 million per annum) for the ACI Group and approximately CND $4.7 million per month (CND $56.9 million per annum) for BCFPI were suspended during the CCAA Proceedings, pending further order of the Court.

22. In the Report of Ernst & Young Inc. dated April 16, 2009 (the "**First Report**"), the Monitor reported on the aggregate solvency deficit of the defined benefit plans (including the hybrid plans, as applicable), for each of the ACI Group and the BI Group, based upon information provided by the Petitioners and Mercer. The information set forth in the First Report with respect to this liability was not an opinion on the methodology to be applied in calculating the Petitioners' current service contributions, but merely reflected the factual information with respect to the amount of the deficit of the pension plans underlying the obligations to make the special payments referred to in paragraphs 62 and 65 of the First Report.

THE REGIE'S MOTION

23. The Monitor has been advised by Mercer that in Canada the generally accepted methodology used to calculate current service contributions for pension plans is based on a going concern basis (the "**Going Concern Methodology**"). As

previously indicated, this method of valuation assumes that the pension plan will continue indefinitely.

24. The Regie is proposing in its motion that the methodology used to calculate the current service contributions be changed to that of a solvency basis (the "**Solvency Methodology**") as described in the document entitled "Calculation Method to Determine the Current Service Contribution on the Solvency Basis" which is attached as exhibit RRQ-2 in the Regie's motion material.

25. In simple terms, as understood by the Monitor, the Solvency Methodology assumes the plan is about to be wound up so that its assets will have to be used immediately, as opposed to over time, to meets its existing liabilities. The Monitor understands that, under the Solvency Methodology as proposed by the Regie, current service contributions will be based on the difference between i) the valuation of the solvency liability at the beginning of the year and ii) a discounted valuation of solvency liability at the end of the year plus the value of the benefits expected to be paid during the year.

26. Based on the Solvency Methodology proposed by the Regie, Mercer has calculated that the 2009 current service contributions would be CDN $91.8 million per annum (monthly CDN $7.6M) for the ACI Group and CDN $39.0 million per annum (monthly CDN $3.25M) for BCFPI. This would represent an increase of CDN $62.5 million and CDN $30.1 million per annum in pension funding for the ACI Group and BCFPI, respectively, compared to the Going Concern Methodology currently being used by the Petitioners to fund their current service contributions.

27. The chart below shows the 2009 estimated current service contributions based on the Going Concern Methodology, the Solvency Methodology and the difference, for each of the ACI Group and BCFPI:

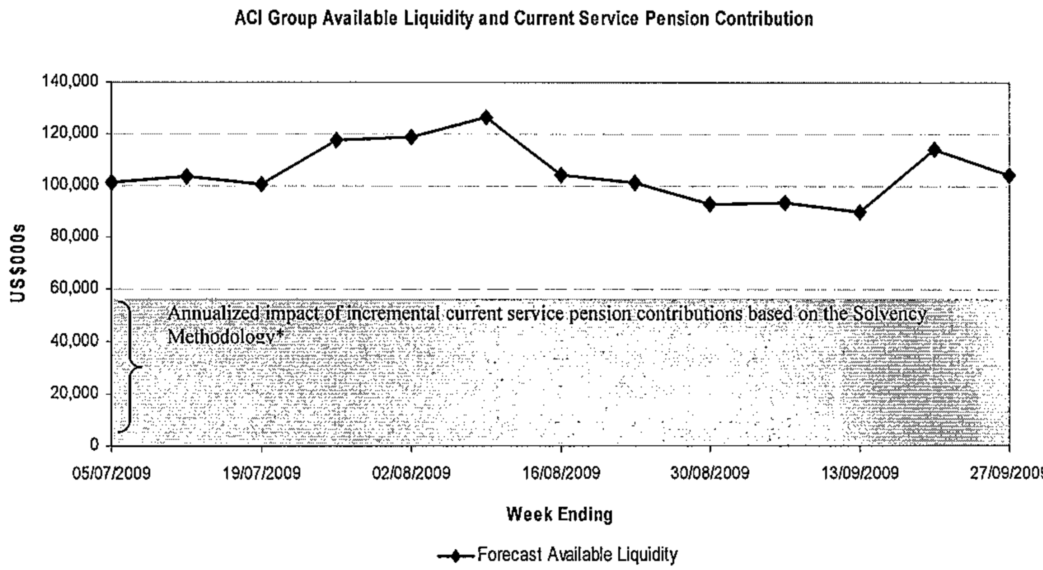
Entities	Going Concern Methodology (CDN $M)	Solvency Methodology (CDN $M)	Difference (CDN $M)
ACI Group	$29.3	$91.8	$62.5
BCFPI	$8.9	$39.0	$30.1

CASH FLOW FORECAST

28. The Monitor filed its Ninth Report with this Honourable Court on July 10, 2009 which includes an update on the ACI Group's and BCFPI's recent cash flow forecasts (the "**ACI Forecast**" and the "**BCFPI Forecast**"). The ACI Forecast is attached as Appendix "E" hereto, which includes the current service contributions computed using the Going Concern Methodology.

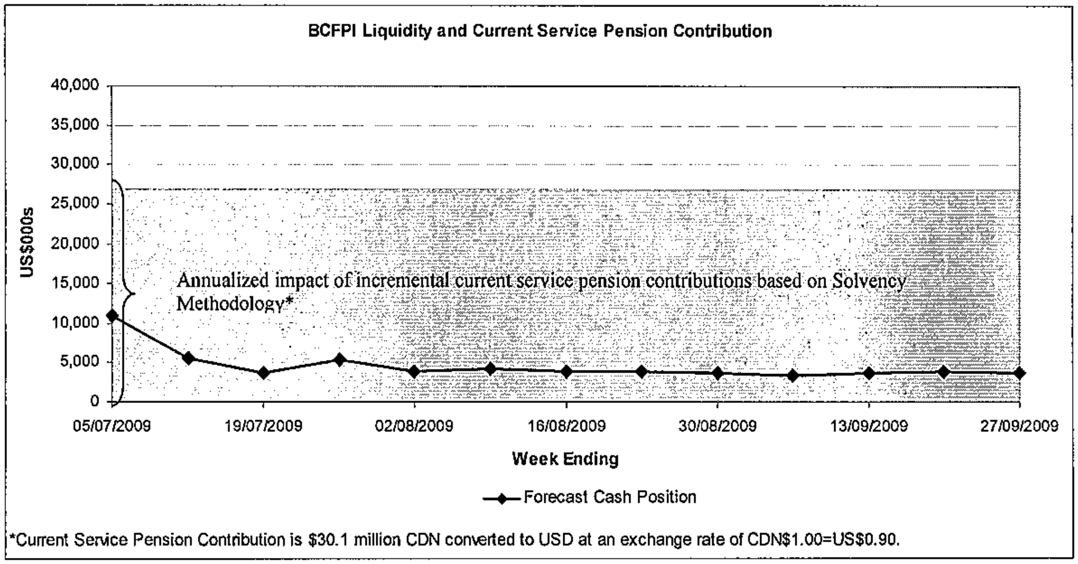
29. The graph below summarizes the ACI Group's forecast liquidity position for the next 13 weeks and graphically compares the ACI Group's liquidity to the annualized incremental funding required if the Solvency Methodology, as proposed by the Regie, was adopted. Based on the Monitor's review of the ACI Forecast, it is clear that the ACI Group does not have sufficient liquidity to fund an aggregate of CDN $62.5 million of additional current service contributions per annum based on the Solvency Methodology without substantially consuming its liquidity reserves. This would include the $100 million ACI DIP Facility. As a result, the ACI Group would be left with less flexibility and a smaller margin of

error in the event of negative cash flow variances or operating contingencies.



*Current Service Pension Contribution is $62.5 million CDN converted to USD at an exchange rate of CDN$1.00=US$0.90.

30. Based on the BCFPI Forecast which is attached as Appendix "F" hereto, BCFPI's net cash position is projected to be $3.7 million as at September 27, 2009, assuming current service contributions are computed using the Going Concern Methodology. As evidenced in the graph below, it does not appear that BCFPI has sufficient liquidity to fund the additional current service contributions based on the Solvency Methodology without risking its ability to continue to operate or without receiving substantial advances from BI.



RECOMMENDATION

31. The Monitor has been involved in many large, complex CCAA restructuring cases in Canada with significant pension plans. The Monitor is not aware of any instance in which current service contributions were computed on the basis of the Solvency Methodology proposed by the Regie.

32. At this stage in the CCAA proceedings, the Petitioners are not negotiating a plan with their stakeholders. Rather, the Petitioners are trying to stabilize their business and operations to preserve value for the benefit of all stakeholders. The Petitioners are attempting to maintain a reasonably stable and level playing field from which all stakeholders can negotiate to protect their particular interests, when and if a go forward plan is presented, without, in the interim, any undue benefits being conferred upon, or undue prejudice being suffered by, any one stakeholder at the expense of another.

33. The Monitor is of the view that the ACI Group and BCFPI do not have sufficient liquidity to fund the aggregate incremental current service contributions using the Solvency Methodology without creating significant risk to their ability to continue to operate and to implement a restructuring for the benefit of their stakeholders.

All of which is respectfully submitted.

ERNST & YOUNG INC.
in its capacity as the Court Appointed Monitor
of the Petitioners

Per:

Alex Morrison, CA, CIRP
Senior Vice President

Greg Adams, CA, CIRP
Senior Vice President

Martin Daigneault, CA, CIRP
Senior Vice President

APPENDIX "A"
ABITIBI PETITIONERS

1. Abitibi-Consolidated Company of Canada
2. Abitibi-Consolidated Inc.
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.

APPENDIX “B”
BOWATER PETITIONERS

1. Bowater Canada Finance Corporation
2. Bowater Canadian Limited
3. Bowater Canadian Holdings. Inc.
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canexel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

APPENDIX "C"

18.6 PETITIONERS

1. AbitibiBowater US Holding 1 Corp.
2. AbitibiBowater Inc.
3. Bowater Ventures Inc.
4. Bowater Incorporated
5. Bowater Nuway Inc.
6. Bowater Nuway Mid-States Inc.
7. Catawba Property Holdings LLC
8. Bowater Finance Company Inc.
9. Bowater South American Holdings Incorporated
10. Bowater America Inc.
11. Lake Superior Forest Products Inc.
12. Bowater Newsprint South LLC
13. Bowater Newsprint South Operations LLC
14. Bowater Finance II, LLC
15. Bowater Alabama LLC
16. Coosa Pines Golf Club Holdings, LLC

APPENDIX "D"
PARTNERSHIPS

1. Bowater Canada Finance Limited Partnership

2. Bowater Pulp and Paper Canada Holdings Limited Partnership

3. Abitibi-Consolidated Finance LP

APPENDIX "E"
ACI GROUP CASH FLOW FORECAST

Abitibi-Consolidated Inc. ("ACI")
Weekly Cash Flow Forecast
13 Weeks Ended September 27, 2009
US$000s

Week ended	Notes	5-Jul-09	12-Jul-09	19-Jul-09	26-Jul-09	2-Aug-09	9-Aug-09	16-Aug-09	23-Aug-09	30-Aug-09	6-Sep-09	13-Sep-09	20-Sep-09	27-Sep-09	Total
Opening Cash	1	47,829	43,468	66,001	62,865	79,989	81,264	88,894	66,448	63,410	55,552	56,301	52,291	76,552	47,829
Receipts															
Total A/R Collections	3	37,969	34,901	43,219	62,292	52,981	35,602	28,423	34,275	30,052	39,621	29,462	39,203	28,348	496,349
Collections on Behalf of Joint Ventures	4	3,308	3,139	3,139	3,139	3,202	3,358	3,358	3,358	3,358	4,133	4,262	4,262	4,262	46,278
Other Inflows	5	2,175	5,849	11,393	6,981	4,797	4,311	2,175	2,175	2,175	2,175	2,175	38,175	2,175	86,730
Total Receipts		43,452	43,889	57,751	72,413	60,980	43,271	33,956	39,808	35,585	45,929	35,898	81,640	34,785	629,356
Disbursements															
Trade Payables	6	(31,427)	(25,716)	(25,716)	(25,716)	(24,448)	(25,655)	(25,655)	(25,655)	(25,655)	(26,811)	(27,338)	(27,338)	(27,338)	(344,465)
Capital Expenditures	7	(1,516)	(1,496)	(1,496)	(1,496)	(1,496)	(1,496)	(1,496)	(1,496)	(1,496)	(1,539)	(1,546)	(1,546)	(1,546)	(19,660)
Marine Freight Payments	8	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(13,650)
Utility Payments	9	(5,013)	(3,870)	(7,870)	(7,870)	(6,727)	(3,870)	(7,870)	(7,870)	(7,870)	(4,441)	(3,870)	(7,870)	(7,870)	(82,881)
Payroll & Benefits	10	(4,691)	(7,864)	(2,171)	(1,821)	(10,698)	(1,927)	(7,893)	(1,927)	(7,543)	(4,810)	(8,292)	(2,369)	(8,292)	(70,299)
Joint Venture Remittances, Net	11	50	47	(15,936)	(853)	48	50	(13,852)	50	(850)	62	64	(14,807)	(836)	(46,763)
Restructuring & Other Items	12	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,000)
Total Disbursements		(44,647)	(40,948)	(55,239)	(39,806)	(45,371)	(34,947)	(58,816)	(38,947)	(45,464)	(39,590)	(43,032)	(55,980)	(47,932)	(590,718)
Financing															
Securitization Inflows / (Outflows)	13	2,223	(407)	(5,648)	(15,484)	(10,590)	(694)	2,415	(3,899)	2,021	(1,826)	3,123	(1,398)	3,379	(26,787)
Adequate Protection and fees by DCorp to ACCC Term Lenders	14	(681)	-	-	-	(3,537)	-	-	-	-	(3,537)	-	-	-	(7,755)
DIP Drawings / (Repayments)	15	-	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
DIP Interest & Fees	15	(149)	-	-	-	(206)	-	-	-	-	(228)	-	-	-	(583)
Securitization Closing Fees	16	(4,558)	-	-	-	-	-	-	-	-	-	-	-	-	(4,558)
Total Change in Cash		(4,361)	22,533	(3,136)	17,123	1,275	7,630	(22,446)	(3,038)	(7,858)	749	(4,011)	24,262	(9,768)	18,956
Ending Cash Balance (with ACI DIP Facility Draws)		43,468	66,001	62,865	79,989	81,264	88,894	66,448	63,410	55,552	56,301	52,291	76,552	66,785	66,785
Available Liquidity (Cash and Undrawn DIP)	17	100,968	103,501	100,365	117,489	118,764	126,394	103,948	100,910	93,052	93,801	89,791	114,052	104,285	104,285
Securitization Schedule	18														
Allowable Receivable Pool Balance		120,205	120,591	114,943	99,459	88,869	88,175	91,304	87,405	89,426	87,601	91,393	89,995	93,374	93,374
Interest, Fees and Adjustments	19	-	(794)	-	-	-	-	(714)	-	-	-	(670)	-	-	(2,179)
Amount Drawn Under Facility		117,982	120,205	120,591	114,943	99,459	88,869	88,175	91,304	87,405	89,426	87,601	91,393	89,995	117,982
Availability / (Required Repayment)		2,223	(407)	(5,648)	(15,484)	(10,590)	(694)	2,415	(3,899)	2,021	(1,826)	3,123	(1,398)	3,379	(26,787)

The above forecast uses an exchange rate of CDN$1.00=US$0.90.

Note: The above totals are subject to rounding adjustments in the underlying balances.

The information and analysis in this document have not been audited or reviewed and, according, no assurances are provided thereon. In addition, because forecasts are dependent upon numerous assumptions regarding future events, actual results will be different than forecast, and such differences may be material.

Abitibi Consolidated Inc. and its subsidiaries (the "ACI Group")
Notes to Weekly Cash Flow Forecast
13 Weeks Ended September 27, 2009
US$000s

1. **Opening Cash** in the forecast includes cash on hand.
2. The cash flow forecast includes mills owned by the ACI Group and its subsidiaries and includes the operations of the DCorp Group.
3. **Total A/R Collections** represent amounts estimated to be collected from the ACI Group's customers. The timing of collections is based on the ACI Group's collection terms with its customers and the latest sales forecast.
4. **Collections on Behalf of Joint Ventures** represent amounts estimated to be collected by the ACI Group on behalf of its joint venture partners. The ACI Group has agreements with its joint venture partners whereby the ACI Group collects the joint venture partners' accounts receivable (for a fee) and remits these funds to the joint venture in accordance with their agreement.
5. **Other Inflows** represent miscellaneous receipts, including, but not limited to such items as tax refunds or insurance proceeds, as estimated by the ACI Group.
6. **Trade Payables** represent amounts estimated to be paid to suppliers for the purchase of the ACI Group's raw materials, repairs and maintenance and other goods and services related to production. This line also includes amounts necessary to fund the DCorp Group's recycling operations.
7. **Capital Expenditures** represent amounts estimated to be paid pursuant to the ACI Group's most recent capital expenditure budget.
8. **Marine Freight Payments** represent amounts estimated to be paid to the ACI Group's outbound marine freight suppliers.
9. **Utility Payments** represent amounts estimated to be payable to the ACI Group's hydroelectricity suppliers.
10. **Payroll and Benefits** represent estimated amounts for salaries, wages and current service pension costs.
11. **Joint Venture Remittances, Net** represent the estimated payment of accounts receivable funds collected by the ACI Group on behalf of the respective joint venture, net of any collection/management fees.
12. **Restructuring and Other Items** represent amounts estimated by the ACI Group for restructuring costs and other miscellaneous payments.
13. **Securitization Inflows/(Outflows)** represent the estimated net availability or repayment (including interest) of funds under the ACI Group's Amended Securitization Program.
14. **Adequate Protection and fees by DCorp to ACCC Term Lenders** represents an estimate of payments pursuant to the adequate protection order issued by the U.S. Bankruptcy Court.
15. The **DIP Drawings/(Repayments)** and the **DIP Interest & Fees** represent cash flows related to the ACI Group's $100 million DIP term loan. This term loan may be drawn in increments to enable the ACI Group to maintain a adequate amount of working capital.
16. The **Securitization Closing Fees** include fees on the Amended Securitization Program and closing advisory fees payable by the ACI Group.
17. **Available Liquidity** is calculated as cash on hand plus the undrawn portion of the ACI DIP Facility. Drawings on the ACI DIP Facility are limited to $87.5 million per the terms of the ACI DIP Agreement.
18. The **Securitization Summary** represents the ACI Group's estimated calculation of amounts owing or available under the Amended Securitization Program based on the eligible accounts receivable (net of any fees, interest or allowances).
19. The **Interest & Fees** represent interest and fees related to the Amended Securitization Program.

APPENDIX "F"

BCFPI CASH FLOW FORECAST

Bowater Canadian Forest Products Inc.
Chapter 11/CCAA Cash Flow
13 Week Period Ended September 27, 2009
US$000s

Week Ended	Notes	5-Jul-09	12-Jul-09	19-Jul-09	26-Jul-09	2-Aug-09	9-Aug-09	16-Aug-09	23-Aug-09	30-Aug-09	6-Sep-09	13-Sep-09	20-Sep-09	27-Sep-09	Total
Receipts															
Trade Receipts	1, 10	26,957	15,205	14,054	17,354	14,320	14,836	12,224	13,767	14,238	12,649	12,075	12,356	11,859	191,893
Other Receipts	2	-	-	-	-	3,000	2,000	5,000	3,000	4,000	2,000	2,000	2,000	1,000	24,000
Total Receipts		26,957	15,205	14,054	17,354	17,320	16,836	17,224	16,767	18,238	14,649	14,075	14,356	12,859	215,893
Disbursements															
Trade Payables	3	(10,631)	(10,720)	(10,720)	(10,720)	(11,042)	(11,845)	(11,845)	(11,845)	(11,845)	(9,652)	(9,286)	(8,286)	(8,286)	(136,725)
Intercompany SG&A Allocation	4	(0)	(5,902)	(464)	(464)	(467)	(474)	(474)	(474)	(474)	(475)	(476)	(476)	(476)	(11,093)
Freight	5	(1,130)	(1,210)	(1,210)	(1,210)	(1,164)	(1,050)	(1,050)	(1,050)	(1,050)	(1,015)	(1,009)	(1,009)	(1,009)	(14,167)
Payroll and Benefits	6	(4,014)	(1,873)	(2,830)	(1,873)	(3,439)	(2,448)	(3,405)	(2,448)	(3,405)	(3,059)	(2,099)	(3,758)	(2,099)	(36,747)
Capital Expenditures	7	(456)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(452)	(465)	(467)	(467)	(467)	(5,933)
Interest	8	(901)	-	-	(699)	(880)	-	-	(338)	(880)	-	-	-	(422)	(4,119)
Restructuring Costs	9	(293)	(293)	(293)	(293)	(1,293)	(293)	(293)	(293)	(293)	(293)	(293)	(293)	(293)	(4,803)
Total Disbursements		(17,424)	(20,449)	(15,968)	(15,711)	(18,736)	(16,561)	(17,518)	(16,899)	(18,398)	(14,958)	(13,629)	(14,288)	(13,051)	(213,588)
Cash Flow from Operations		9,533	(5,245)	(1,914)	1,644	(1,416)	275	(294)	(132)	(160)	(308)	446	67	(191)	2,305
Opening Bank Balance		1,358	10,891	5,646	3,732	5,376	3,960	4,235	3,941	3,809	3,649	3,341	3,787	3,854	1,358
Cash Flow		9,533	(5,245)	(1,914)	1,644	(1,416)	275	(294)	(132)	(160)	(308)	446	67	(191)	2,305
Closing Bank Balance	10	10,891	5,646	3,732	5,376	3,960	4,235	3,941	3,809	3,649	3,341	3,787	3,854	3,663	3,663
Current Revolving Credit Facility															
Current Credit Facility Balance, Opening		94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337
Current Credit Facility Drawings / (Repayments)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Balance, Closing		94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337
Intercompany A/R Balance	11														
Ending Balance		59,314	60,706	62,528	62,176	62,389	61,264	61,300	60,581	59,702	60,192	61,071	61,746	62,603	62,603

The above forecast uses an exchange rate of CDN$1.00=US$0.90

Amounts in the above table are subject to rounding adjustments from the underlying balances

The information and analysis in this document have not been audited or reviewed and, according, no assurances are provided thereon. In addition, because forecasts are dependent upon numerous assumptions regarding future events, actual results will be different than forecast, and such difference may be material.

Bowater Canadian Forest Products Inc. ("BCFPI")
Notes to CCAA Cash Flow
13 Week Period Ended September 27, 2009
US$000s

1. **Trade Receipts** are based on BCFPI's estimate of collection terms and BCFPI's latest sales forecast.
2. **Other receipts** represents a transfer of funds to BCFPI from Bowater Inc. persuant to the BI/BCFPI DIP Facility.
3. **Trade Payables** represent payments for raw materials, repairs and maintenance, utilities and other production items.
4. **Intercompany SG&A Allocation** represents expenses incurred by BCFPI's parent company on behalf of BCFPI which are charged to BCFPI starting the week ended August 12, 2009, pursuant to its normal process for the allocation of such costs. These intercompany SG&A costs are assumed to be settled in cash on a weekly basis.
5. **Freight** represents disbursements in respect of costs to deliver product to customers.
6. **Payroll and Benefits** represent amounts paid to employees for salaries and wages (including the related withholdings), pension payments and other benefits due under employee benefit programs. The forecast assumes that only those pension payments in respect of current service costs will be paid.
7. **Capital Expenditures** are costs scheduled to be made in accordance with agreements with BCFPI's various capital equipment suppliers and reflect requirements pursuant to BCFPI's most recent capital expenditure budget.
8. **Interest** represents interest costs for the company's senior secured revolving facility, the existing secured term loan and the new DIP facility.
9. **Restructuring Costs** represent costs related to the restructuring including transaction fees related to the new DIP facility.
10. The cash flows included in the forecast include only those BCFPI mills in Canada. No funding or dividends from foreign subsidiaries are included in the forecast.
11. The intercompany accounts receivable balance represents pre-filing and post-filing sales to customers in the United States by BCFPI through Bowater America Inc. This amount is assumed not to be stayed and is collected by BCFPI from Bowater America Inc. in the normal course. This balance represents trade A/R only and does not represent any amounts funded from BI to BCFPI persuant to the BI/BCFPI DIP Facility.