

Montreal, June 3, 2008

The Honorable Donna Cansfield
Minister of Natural Resources
Room 6630, Whitney Block
99 Wesley Street West
Toronto, Ontario
M7A 1W3

Dear Minister Cansfield:

In light of your recently announced Memorandum of Agreement with the Grassy Narrows First Nation on forest management, I am writing to advise you of our decision regarding the Whiskey Jack Forest.

As you know, AbitibiBowater's position has always been to support the needs and concerns of the Grassy Narrows community and to find ways to address them in a sustainable manner. More specifically, our Company has shared with the Government of Ontario, as early as 2006, our commitment and intention to transfer the Whiskey Jack Forest Licence to a cooperative that would include the Grassy Narrows First Nation.

Due to the complexity of these long-standing issues, it was alternatively decided, with our support, to formalize an inclusive consultation process led by former Supreme Court of Canada Justice Frank Iacobucci.

AbitibiBowater fully respects the Iacobucci process and acknowledges its recent outcome. However, we cannot afford to wait four more years for a full conclusion to be reached on these important issues.

Therefore, we have made the decision to discontinue using wood from the Whiskey Jack Forest while the Government of Ontario and the Grassy Narrows First Nation conduct their negotiations. The flexibility of a newly merged company, paired with the current context of an industry that gives access to unused fiber, allow us to temporarily find alternative wood supply for our operations.

Furthermore, we wish to engage in discussions with the Ministry of Natural Resources and other key stakeholders to begin moving the Whiskey Jack Forest to a more appropriate management structure, and are prepared to work on an orderly transition of the Licence. Our decision comes with a clear commitment on our current management responsibilities, including those related to reforestation.

I have asked our Wood Products Division Senior Vice President, Yves Laflamme, to follow up with your department to initiate this process as soon as possible.

Sincerely,
David J. Paterson