

AbiBow EXPRESS

April 23, 2009

Please post until April 30, 2009

AbitibiBowater Submits NAFTA Notice of Intent in Response to Illegal Expropriation of Rights and Assets in Newfoundland and Labrador

Today we filed a Notice of Intent to Submit a Claim to Arbitration under the North American Free Trade Agreement (NAFTA) with regards to the expropriation of our assets and rights in Newfoundland and Labrador. We feel that the actions taken by the provincial government were arbitrary, discriminatory and illegal, and we are seeking in excess of CDN\$300 million in direct compensation for the fair market value, plus additional costs and further relief.

"We have been operating in Newfoundland and Labrador for more than a century, contributing significantly to the region's economic, social and sustainable development," said Dave Paterson. "The actions of the government were unexpected and came despite our attempts to resolve all issues related to our rights and assets in the province. We remain open to working with the federal and provincial governments to find a fair resolution."

Since AbitibiBowater is incorporated in the state of Delaware and carries out business activities in the United States, the expropriation of rights and assets represents a breach of Canada's obligations to a U.S. investor under Chapter Eleven of NAFTA. The Company has filed this notice as part of the dispute resolution mechanism available under NAFTA and will submit the claim to arbitration in three months, pursuant to the relevant NAFTA provisions, should this matter not be resolved by that date.

The Company has asserted in the Notice of Intent that Bill 75 unquestionably breaches Canada's NAFTA obligations on a number of grounds, including among others:

- **Basis of Expropriation:** NAFTA explicitly details the grounds under which government expropriation can occur. The criteria for expropriation are not met in Bill 75.
- **Fair Compensation:** AbitibiBowater is entitled to immediate, full and fair compensation. Bill 75 does not ensure payment for the fair market value of the expropriated rights and assets.
- **Denial of Justice:** Bill 75 purports to strip AbitibiBowater of any rights to access the courts, which is independently a violation of NAFTA.
- **Discrimination:** AbitibiBowater should be afforded the same rights and privileges as all other domestic and foreign investors. Bill 75 is retaliatory in nature and discriminates against the Company.