



QUESTIONS AND ANSWERS ABOUT THE ABITIBI INSIDER BID FIBREK SHAREHOLDERS

Should I accept or reject the Abitibi insider bid?

Your Board of Directors UNANIMOUSLY recommends that Fibrek shareholders REJECT the Abitibi insider bid and NOT TENDER their Fibrek shares.

How do I reject the Abitibi insider bid?

YOU DO NOT NEED TO DO ANYTHING. TAKE NO ACTION and DO NOT TENDER your Fibrek shares.

Do I have to decide now?

NO. You do not have to take any action at this time. The Abitibi insider bid has been extended and is now scheduled to expire on February 13, 2012 at 5 p.m. and is subject to a number of conditions that have yet to be satisfied.

Given the number of important initiatives that the Fibrek Board of Directors has undertaken to ensure that Fibrek shareholder are protected, the Board recommends that you not take any action at this time.

A formal valuation of Fibrek by an independent valuator is currently under way. The formal valuation will provide you with a clear range of value for your Fibrek shares. The Board urges shareholders to WAIT for its results before taking any action. Fibrek has engaged Canaccord Genuity Corp. to provide the formal valuation.

What do I have to do before the expiry of the offer? Can I lose my rights?

YOU DO NOT NEED TO DO ANYTHING. You are under no obligation to take any actions before the offer expiry date. Not acting will in no way impair your rights.

Can I withdraw my shares if I have already tendered?

ABSOLUTELY. As described in the Fibrek Directors' Circular, you can withdraw your Fibrek shares

- (a) at any time before your shares have been taken up by Abitibi;

- (b) if your shares have not been paid for by Abitibi within three business days after having been taken up by Abitibi; and
- (c) in certain other circumstances described under "How to Withdraw your Deposited Common Shares" in the Directors' Circular.

How do I withdraw my shares?

We recommend you contact your broker or Phoenix Advisory Partners, Fibrek's information agent at North American Toll Free: 1-800-398-1129 or Email: inquiries@phoenixadvisorypartners.com.

Why should I reject the Abitibi insider bid?

The Abitibi insider bid fails to provide fair value for Fibrek's shares and does not offer shareholders adequate consideration. The following is a summary of the principal reasons for the unanimous recommendation of the Board of Directors to REJECT the Abitibi insider bid, as outlined in Fibrek's Directors' Circular dated December 26, 2011:

- The insider bid is opportunistic.
- The insider bid deprives shareholders of full value as it does not reflect an adequate premium for the control of Fibrek; the so-called "premium" being offered to Fibrek shareholders is actually 0% or less based on the six-month weighted-average trading price of Fibrek common shares before November 28.
- Abitibi insider bid ignores significant intrinsic value in Fibrek's assets and growth prospects including newly disclosed material and probable streams of operating income.
- Fibrek is well-positioned for future growth and can offer more value to shareholders than that proposed by the insider bid.
- Fibrek's financial advisor, TD Securities Inc., has confirmed that the insider bid is inadequate from a financial point of view to minority shareholders.
- This is an insider bid and Fibrek shareholders should WAIT for the formal valuation of the company to be completed before taking any action.
- Discussions are being pursued with third parties and superior offers or other value-creating alternatives may emerge.
- The value of the Abitibi insider bid is uncertain and subject to the risks and uncertainties related to Abitibi's business.

What are the newly disclosed material and probable streams of operating income?

- Fibrek currently has the capacity to generate up to 33 MW of renewable energy at its Saint-Félicien Mill and in light of a recently announced Québec government power purchase program, this represents an opportunity to generate up to \$16 million in incremental annual EBITDA.

- Fibrek announced the signing of a new long-term take-or-pay, cost-plus supply agreement with a major tissue producer for 90,000 tonnes per year of RBK pulp expected to generate \$7 million of additional EBITDA annually.

Why do you say the insider bid is opportunistic?

- Abitibi launched its bid for Fibrek's Common Shares when they were trading at their lowest price of the year.
- The timing of the insider bid takes advantage of the turbulence observed in capital markets since the summer of 2011.
- The timing of the insider bid takes advantage of the cyclical decline in pulp prices since the summer of 2011, but without reflecting the forecasted recovery for 2012 and 2013.
- The insider bid has been made at a time of the year that hinders Fibrek's response.

What is the outlook for pulp prices?

While pulp prices in general, and NBSK pulp prices in particular, have experienced a cyclical decline since the summer of 2011, coinciding with unfavourable macroeconomic conditions, third party forecasters and market observers have forecast prices bottoming out in the first half of 2012, before resuming their upward trend.

Why do you say the business of Abitibi is uncertain? Why could it impact me?

Demand for Abitibi's core newsprint (representing 38% of Abitibi's revenue for the last twelve months ("LTM Revenue")) and coated and uncoated commercial printing papers (also representing 38% of Abitibi's LTM Revenue) has weakened significantly over the last decade. As disclosed in Abitibi's Circular, industry statistics indicate that North American newsprint demand has experienced annual declines of 10.3% in 2007, 11.2% in 2008, 25.3% in 2009, 6.0% in 2010 and 7.2% through October of 2011. Abitibi also states in its Circular that third-party forecasters indicate that these declines may continue in the future. You should carefully review the section entitled "Risk Factors – Risk Factors relating to Resolute's Business" of Abitibi's Circular before taking any action in respect of your Fibrek shares.

Under Abitibi's offer, shareholders can receive either (i) cash, (ii) cash and shares of Abitibi, and (iii) only Abitibi shares. The cash consideration is subject to a pro-ration based on a maximum of approximately \$71.5 million.

What are lock-up agreements and how do they impact Fibrek's ability to find strategic alternatives?

Lock-up agreements have been entered into between Abitibi and certain current Fibrek shareholders pursuant to which such shareholders have committed to tender their Fibrek shares to the Abitibi insider bid.

Fibrek has initiated contact with a number of third parties who have expressed an interest in considering alternative transactions. While it is impossible to predict whether any transactions will

emerge from these efforts, the existence of the lock-up agreements should not preclude Fibrek to generate value-enhancing alternatives.

Why is Fibrek undertaking a formal valuation?

This is an insider bid. Abitibi is unfortunately relying on a technical exemption from the legal requirement to obtain a formal valuation on the basis, as they claim, that they do not have material information concerning Fibrek's business.

The Board of Directors believes it is in the best interest of shareholders to benefit from a formal valuation. The Board wants to ensure that all shareholders are treated fairly. A formal valuation will allow Fibrek shareholders to make an informed decision.

Shareholders should consider the following facts in assessing whether or not Abitibi has access to material information:

- Abitibi is the former owner of Fibrek, has close operational knowledge of Fibrek and is its largest supplier of wood chips.
- Fairfax Financial Holdings – which has committed its shares to the insider bid – is the largest shareholder and an insider of both Abitibi and Fibrek.

When will the formal valuation be completed?

A formal valuation of Fibrek by an independent valuator is currently under way. The formal valuation will provide you with a clear range of value for your Fibrek shares. The Board urges shareholders to WAIT for its results before taking any action. The result of the formal valuation will be disclosed by way of press release and notice of change as promptly as practicable after its completion.

What is the purpose of the shareholder rights plan (poison pill)?

The Board has adopted a shareholder rights plan to ensure that there is sufficient time to engage an independent valuator and receive the valuator's report; and to allow the Board to explore and develop strategic alternatives in the context of the Abitibi insider bid. The shareholder rights plan also seeks to ensure the fair treatment of shareholders and to provide them with adequate time to properly assess any potential takeover bid or other alternative without undue pressure.

Why did Abitibi file an application to cease trade the shareholder rights plan? How does this impact me?

Abitibi's application does not impact your rights. YOU DO NOT NEED TO DO ANYTHING. You are under no obligation to take any actions before the offer expiry date. Not acting will in no way impair your rights. Fibrek intends to oppose Abitibi's application.

The Abitibi insider bid is subject to a number of conditions, including that a cease trading order be issued in respect of the shareholder rights plan by the applicable regulatory authority. Unless a cease trade order of the shareholder rights plan is issued, any take up of Fibrek shares by Abitibi would trigger the issuance of rights under the shareholder rights plan, therefore creating dilution and forcing Abitibi to pay more, on an aggregated basis, to purchase all of the Fibrek shares.

Accordingly, an application was filed by Abitibi with the Bureau de décision et de révision (Québec), the administrative tribunal with statutory jurisdiction in securities law and regulatory matters in the Province of Québec, on January 17, 2012. A hearing will be held on February 1, 2, 3, 7 and 8, 2012 to consider the application filed by Abitibi.

Will Abitibi increase its bid?

Fibrek does not know if Abitibi will increase its bid. However, the Board of Directors believes that the current insider bid is opportunistic and significantly undervalues Fibrek and is not in the best interest of shareholders.

The Board has already taken concrete steps to solicit competing offers and evaluate strategic alternatives. The Board believes that the Rights Plan will allow that this process is conducted in a structured manner in order to get the best results for Fibrek's shareholders. The Board believes that the Rights Plan is in the best interest of Fibrek, its shareholders and other stakeholders.

Will there be a higher offer from another bidder?

The Board has taken concrete steps to solicit competing offers and evaluate strategic alternatives. Fibrek has initiated contact with a number of third parties who have expressed an interest in considering alternative transactions. Discussions are being pursued with these potential bidders in order to generate value-enhancing alternatives. Fibrek has established a data room for the purpose of providing confidential information to such third parties. While it is impossible to predict whether any transactions will emerge from these efforts, the Board of directors believes, that Fibrek and its assets are potentially very attractive to additional third parties other than Abitibi.

Who do I ask if I have more questions?

Please contact Phoenix Advisory Partners, Fibrek's information agent, with any questions or requests for assistance that you might have at North American Toll Free: 1-800-398-1129 or Email: inquiries@phoenixadvisorypartners.com.