

**Bowater Incorporated
Senior Unsecured CDS**

Credit Event Auction Summary

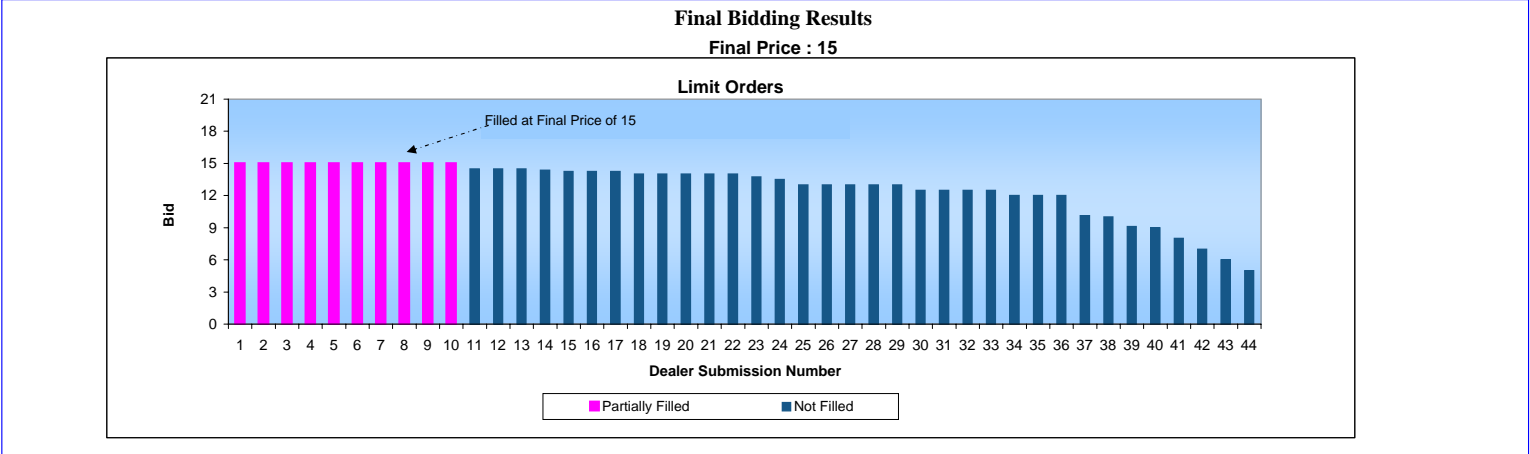
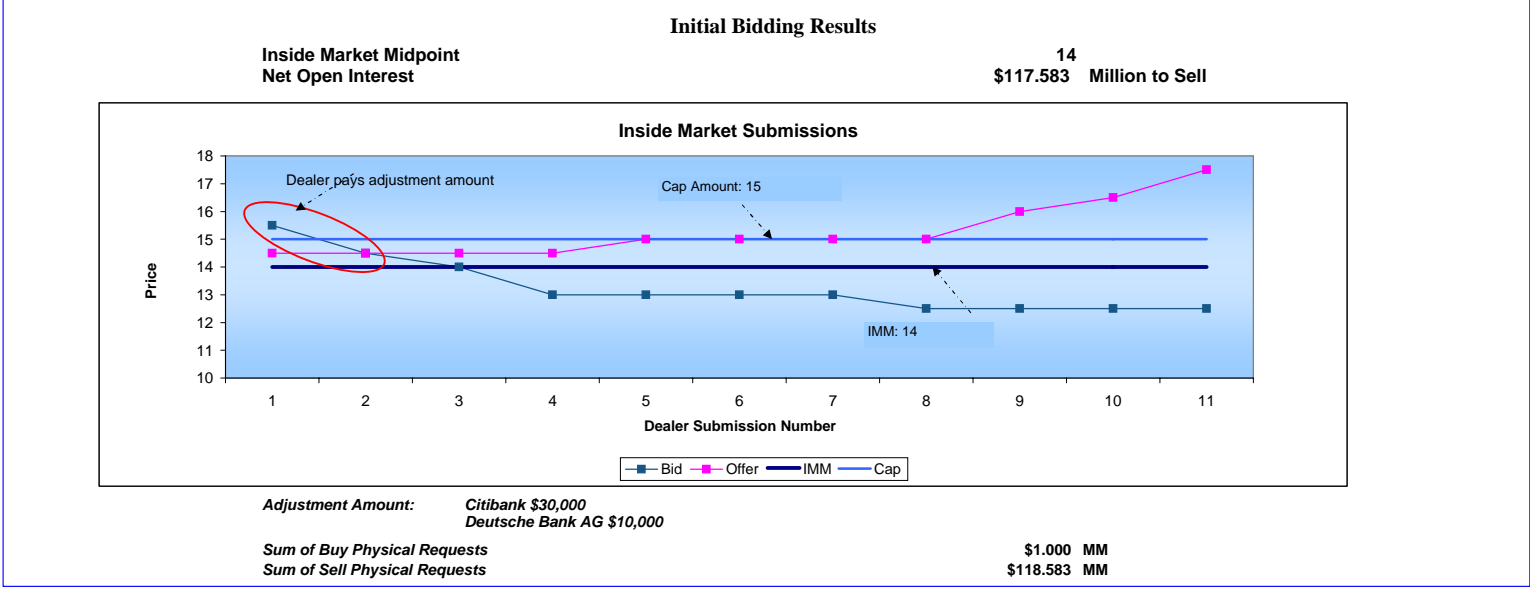
May 12, 2009

Bowater Incorporated CDS
Final Price 15
Auction Date 12May09

<p>Reference Data</p> <p>RED 6 : 1B239B RED 9 : 1B239BAC7</p> <p>Index Constituents of *Markit Dow Jones CDX.NA.HY. 1-7 Markit Dow Jones CDX.NA.HY.B 6-7 Markit Dow Jones CDX.NA.HY.BB 1-5 Markit Dow Jones CDX.NA.XO 5</p>	<p>Deliverable Obligations</p> <p>US102183AL40 US102183AK66 Red Preferred US102183AC41 US102183AE07 US102183AG54 US102175AB26</p>
---	---

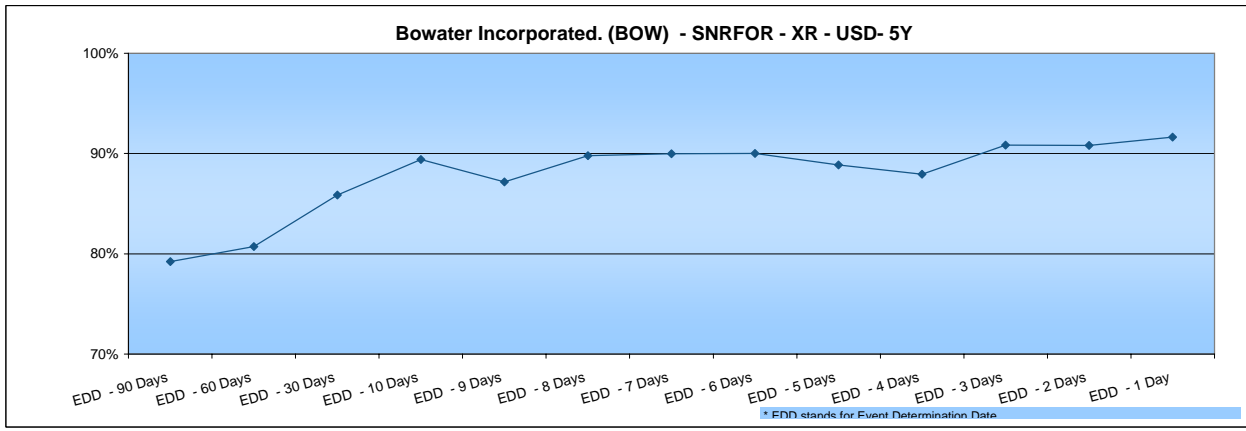
Trade Information Warehouse (DTCC)			
Gross Notional :	\$7,558,867,258	Contracts :	1,600
Net Notional :	\$425,817,182	Date as of:	05/08/2009

Auction Details			
Default Date	04/16/2009	Inside Market Quotation Amount	\$ 2 MM
EDD	04/16/2009	Bid-Offer Spread	2%
Auction Date	05/12/2009	Participating Bidders	11
Cash Settlement Date	05/19/2009	Cap Amount	1%
Event	Bankruptcy	Accrual Calculation Method	Normal
Relevant Currency	USD		
Auction Currency Rate	USD/USD = 1 **		
** The Bowater Deliverable Obligations are denominated in USD and the Relevant Currency is USD.			

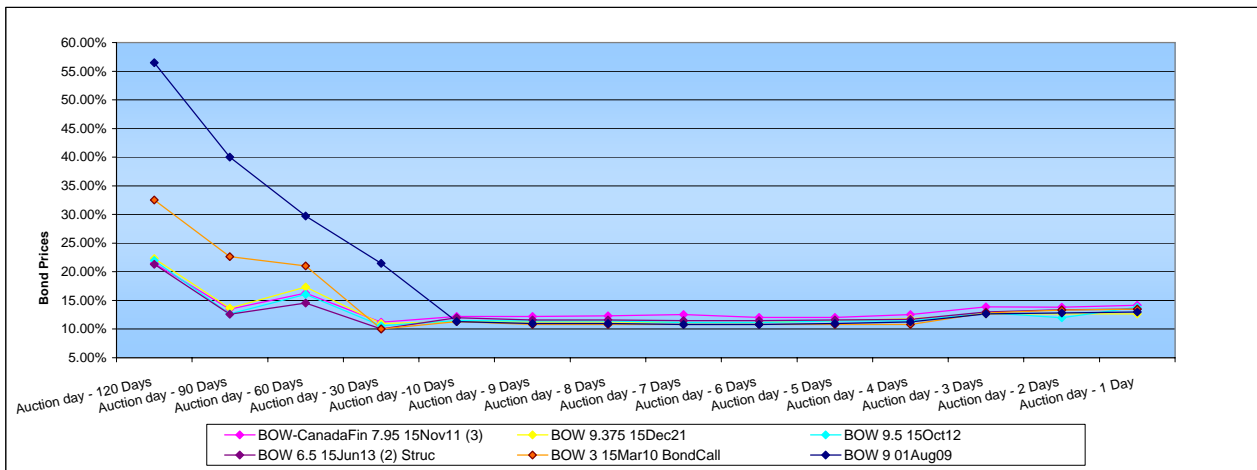


* See Appendix V for details

CDS Upfronts



Bond Prices



Appendix

APPENDIX I

Initial Bidding Results

Inside Market Submissions

Dealers	Bid	Offer
Bank of America / Merrill Lynch	12.5	14.5
Barclays	12.5	14.5
BNP Paribas	13	15
Citibank	15.5	17.5
Credit Suisse	12.5	14.5
Deutsche Bank AG	14.5	16.5
Goldman Sachs	13	15
JPMorgan Chase Bank, N.A.	13	15
Morgan Stanley	12.5	14.5
The Royal Bank of Scotland	14	16
UBS	13	15

Physical settlement requests

Dealers	Type	Size
BNP Paribas	O	0
Bank of America / Merrill Lynch	O	13,433
Barclays	O	22,25
Citibank	O	50
Credit Suisse	O	15
Deutsche Bank AG	O	0
Goldman Sachs	O	5,9
Morgan Stanley	O	0
The Royal Bank of Scotland	O	0
UBS	O	12
JPMorgan Chase Bank, N.A.	B	1

APPENDIX II

Final Bidding Results

Limit Orders

Dealer	Bid	Size
JPMorgan Chase Bank, N.A.	15 [^]	35
Bank of America / Merrill Lynch	15 [^]	3
JPMorgan Chase Bank, N.A.	15 [^]	12
JPMorgan Chase Bank, N.A.	15 [^]	10
Morgan Stanley	15 [^]	117,583
JPMorgan Chase Bank, N.A.	15 [^]	20
Morgan Stanley	15 [^]	117
UBS	15 [^]	25
JPMorgan Chase Bank, N.A.	15 [^]	117,583
JPMorgan Chase Bank, N.A.	15 [^]	5
Morgan Stanley	14.5	25
Goldman Sachs	14.5	15
Citibank	14.5	6
Goldman Sachs	14.375	10
Deutsche Bank AG	14.25	6,135
Deutsche Bank AG	14.25	62
Goldman Sachs	14.25	117,583
Deutsche Bank AG**	14	2
The Royal Bank of Scotland**	14	2
Citibank**	14	2
JPMorgan Chase Bank, N.A.	14	10
Barclays	14	10
Barclays	13.75	25
Barclays	13.5	25
Goldman Sachs**	13	2
UBS**	13	2
BNP Paribas**	13	2
Deutsche Bank AG	13	47
JPMorgan Chase Bank, N.A.**	13	2
Bank of America / Merrill Lynch**	12.5	2
Credit Suisse**	12.5	2
Morgan Stanley**	12.5	2
Barclays**	12.5	2
Barclays	12	10
JPMorgan Chase Bank, N.A.	12	25
Citibank	12	10
Barclays	10,125	25
Credit Suisse	10	5
Barclays	9,125	25
Citibank	9	20
Credit Suisse	8	5
The Royal Bank of Scotland	7	10
Credit Suisse	6	5
Citibank	5	100

** Limit Orders that were derived from inside markets.

[^] Limit Orders that were partially filled.

APPENDIX III

CDS Upfronts

Date	CDS Upfront	
EDD - 90 Days	12/11/2008	79.22%
EDD - 60 Days	01/22/2009	80.71%
EDD - 30 Days	03/05/2009	85.86%
EDD - 10 Days	04/02/2009	89.41%
EDD - 9 Days	04/03/2009	87.18%
EDD - 8 Days	04/06/2009	89.80%
EDD - 7 Days	04/07/2009	89.99%
EDD - 6 Days	04/08/2009	90.00%
EDD - 5 Days	04/09/2009	88.87%
EDD - 4 Days	04/10/2009	87.93%
EDD - 3 Days	04/13/2009	90.85%
EDD - 2 Days	04/14/2009	90.82%
EDD - 1 Day	04/15/2009	91.65%

CDS Recovery Rate

Date	Rec. Rate	
Auction day - 120 Days	11/25/2008	20.00%
Auction day - 90 Days	01/06/2009	12.82%
Auction day - 60 Days	02/17/2009	11.17%
Auction day - 30 Days	03/31/2009	9.89%
Auction day - 10 Days	04/28/2009	11.38%
Auction day - 9 Days	04/29/2009	11.57%
Auction day - 8 Days	04/30/2009	11.57%
Auction day - 7 Days	05/01/2009	11.57%
Auction day - 6 Days	05/04/2009	11.57%
Auction day - 5 Days	05/05/2009	11.57%
Auction day - 4 Days	05/06/2009	11.57%
Auction day - 3 Days	05/07/2009	11.31%
Auction day - 2 Days	05/08/2009	11.43%
Auction day - 1 Day	05/11/2009	11.00%

APPENDIX IV

Bond Details

Bond	ISIN	CUSIP	Name	Coupon	Maturity
Bond 1	US102183AL40	102183AL4	Bowater Incorporated	L + 3.00%	03/15/2010
Bond 2	US102183AK66	102183AK6	Bowater Incorporated	6.50%	06/15/2013
Bond 3	US102183AC41	102183AC4	Bowater Incorporated	9.00%	08/01/2009
Bond 4	US102183AE07	102183AE0	Bowater Incorporated	9.38%	12/15/2021
Bond 5	US102183AG54	102183AG5	Bowater Incorporated	9.50%	10/15/2012
Bond 6	US102175AB26	102175AB2	Bowater Canada Finance Corporation	7.95%	11/15/2011

Bond Prices

Date	Prices						
	US102183AC41	US102175AB26	US102183AE07	US102183AG54	US102183AK66	US102183AL40	
Auction day - 120 Days	11/25/2008	56.50%	21.50%	22.33%	22.00%	21.31%	32.50%
Auction day - 90 Days	01/06/2009	40.00%	13.50%	13.67%	12.67%	12.58%	22.67%
Auction day - 60 Days	02/17/2009	29.75%	16.27%	17.33%	16.05%	14.56%	21.00%
Auction day - 30 Days	03/31/2009	21.50%	11.17%	11.00%	10.59%	10.00%	10.00%
Auction day - 10 Days	04/28/2009	11.33%	12.18%	11.33%	11.50%	12.00%	11.33%
Auction day - 9 Days	04/29/2009	11.00%	12.22%	11.25%	11.40%	11.59%	10.83%
Auction day - 8 Days	04/30/2009	11.00%	12.29%	11.25%	11.40%	11.59%	10.83%
Auction day - 7 Days	05/01/2009	10.83%	12.53%	11.17%	11.17%	11.49%	10.83%
Auction day - 6 Days	05/04/2009	10.83%	12.03%	11.17%	11.17%	11.47%	10.83%
Auction day - 5 Days	05/05/2009	11.00%	12.03%	11.50%	11.40%	11.59%	10.83%
Auction day - 4 Days	05/06/2009	11.25%	12.53%	11.83%	11.40%	11.69%	10.83%
Auction day - 3 Days	05/07/2009	12.67%	13.90%	12.67%	12.88%	13.00%	12.83%
Auction day - 2 Days	05/08/2009	12.83%	13.83%	12.67%	12.00%	13.38%	13.33%
Auction day - 1 Day	05/11/2009	13.00%	14.16%	12.67%	13.83%	13.50%	13.50%

APPENDIX V

Indices Affected

Old Index Name	Old Version	Old RED Code	New Index Name	New Version	New RED Code
Dow Jones CDX.NA.HY.1-V9	9	2165BRDG2	Dow Jones CDX.NA.HY.1-V10	10	2165BREZ9
Dow Jones CDX.NA.HY.2-V12	12	2165BREB2	Dow Jones CDX.NA.HY.2-V13	13	2165BRFA3
Dow Jones CDX.NA.HY.3-V13	13	2165BRED8	Dow Jones CDX.NA.HY.3-V14	14	2165BRFB1
Dow Jones CDX.NA.HY.4-V13	13	2165BREF3	Dow Jones CDX.NA.HY.4-V14	14	2165BRFC9
Dow Jones CDX.NA.HY.5-V12	12	2165BREH9	Dow Jones CDX.NA.HY.5-V13	13	2165BRFD7
Dow Jones CDX.NA.HY.6-V10	10	2165BREJ5	Dow Jones CDX.NA.HY.6-V11	11	2165BRFE5
Dow Jones CDX.NA.HY.7-V9	9	2165BREL0	Dow Jones CDX.NA.HY.7-V10	10	2165BRFG0
Dow Jones CDX.NA.HY.B.6-V5	5	2165BSDE5	Dow Jones CDX.NA.HY.B.6-V6	6	2165BSDN5
Dow Jones CDX.NA.HY.B.7-V4	4	2165BSDF2	Dow Jones CDX.NA.HY.B.7-V5	5	2165SDO3
Dow Jones CDX.NA.HY.BB.1-V4	4	2165BVBC4	Dow Jones CDX.NA.HY.BB.1-V5	5	2165BVBL4
Dow Jones CDX.NA.HY.BB.2-V4	4	2165BVBH3	Dow Jones CDX.NA.HY.BB.2-V5	5	2165BVBM2
Dow Jones CDX.NA.HY.BB.3-V4	4	2165BVBI1	Dow Jones CDX.NA.HY.BB.3-V5	5	2165BVBN0
Dow Jones CDX.NA.HY.BB.4-V4	4	2165BVBJ9	Dow Jones CDX.NA.HY.BB.4-V5	5	2165BVBO8
Dow Jones CDX.NA.HY.BB.5-V3	3	2165VBK6	Dow Jones CDX.NA.HY.BB.5-V4	4	2165VBVP5
Dow Jones CDX.NA.XO.5-V3	3	1D764IAV9	Dow Jones CDX.NA.XO.5-V4	4	1D764IAW7