

CORNER BROOK PULP AND PAPER CO-GEN PLANT UP AND RUNNING

Corner Brook, April 4, 2003 - Premier Roger Grimes, Kruger Executive Vice President and COO Walter Mlynaryk, Forest Resources and Agrifoods Minister Rick Woodford, Environment Minister Bob Mercer, and various Kruger officials were on hand today at Corner Brook Pulp and Paper to officially launch the new Co-Generation Plant.

Co-generation will convert mill waste to steam, and allow steam exhausted from the turbine to be used in mill functions. As well, the project has the potential to produce 15 megawatts of electricity and will supply Newfoundland and Labrador Hydro for use on the Island Interconnected Grid.

“We are extremely pleased to see Kruger’s commitment to the City of Corner Brook and western Newfoundland and Labrador,” said Premier Roger Grimes. “This is another fine example of the positive benefits that can accrue to both the province and industry through joint partnership initiatives. The additional electricity that will be generated from this project will help the province meet its energy demands, while helping secure a healthy future for our industry partners. Government looks forward to continue working in partnership with Corner Brook Pulp and Paper to ensure the viability of its operations in this province.”

“Representing a substantial investment of \$30 million, the Co-Gen Plant is a huge vote of confidence in the future of our mill,” said Kruger COO Walter Mlynaryk. “Corner Brook Pulp and Paper has had a long and rich history in Western Newfoundland. With each new phase of our development, we are proud and pleased to be a part of this community, and through investments such as this one are building a firm relationship for many years to come.”

Co-generation is a highly efficient means of generating heat and electric power at the same time from the same energy source. This is the only project of this type in Newfoundland and Labrador.

Corner Brook Pulp and Paper employs over 1500 people in nearly 50 communities throughout Newfoundland. Kruger is a major pulp and paper company engaged in the manufacturing and sale of newsprint, specialty grades, lightweight coated paper, directory paper, tissue, recycled linerboard, corrugated containers, lumber and wood products. Scott Paper Limited, a member of the Kruger company, is the leading tissue manufacturer in Canada. Scott Paper serves the Canadian consumer market with well-known brands including Cottonelle, Purex, ScotTowels, Scotties, White Swan, Capri and Viva, as well as away from home products for industrial and commercial use across Canada. The Kruger company has operations in Québec, Ontario, Alberta, British Columbia and Newfoundland, as well as in the United States and the United Kingdom and employs over 10,500 people.

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