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Northern Pulp Mill Secures Provincial Government Financing

PICTOU, NOVA SCOTIA, CANADA — Northern Pulp Nova Scotia Corp. announced today that it has received a \$15-million interest-bearing loan through the Province's Economic and Rural Development Office's Industrial Expansion Fund. The loan will finance maintenance and capital expenditures and other initiatives aimed at improving the reliability of Northern Pulp's operations.

"We believe that Northern Pulp is well positioned to prosper in the global pulp market but is facing considerable short-term challenges as a result of rapid and significant deterioration in pulp demand and pricing over the past few months. These market conditions have already forced many of our competitors to temporarily or permanently curtail operations," said Wayne Gosse, Chief Operating Officer.

"This loan will enable operations to continue at the mill which has been a critical asset to the northern Nova Scotia economy for more than 40 years," said Bill Dooks, the Province's Tourism Cultural and Heritage Minister. "The company has a strong business case. It has reduced its operating costs by millions of dollars through solid management and innovative thinking. More than 1,200 Nova Scotians rely on the mill for employment either directly or indirectly. This is an investment that makes good sense," said Mr. Dooks, speaking on behalf of Economic and Rural Development Minister Murray J. Scott.

Northern Pulp Nova Scotia Corp. generates more than \$200 million in annual economic activity. Through its operations, the Company supplies approximately 40% of the wood requirements of the various sawmills located in Central Nova Scotia and purchases as much as 90% of their residual bark and chips.

Since the acquisition of the Pictou Mill from Neenah Paper Company in June 2008, the Company has improved its competitive cost position through intense efforts directed at gaining labour efficiencies, lowering fibre costs and reducing other direct costs of manufacturing.

Mr. Gosse commented, "Because we do not expect the pulp market to improve in the immediate future, we will continue to aggressively drive down our production costs in order to remain competitive through this difficult period."

About Northern Pulp

Northern Pulp Nova Scotia Corporation, an affiliate of Atlas Holdings LLC and Blue Wolf Capital Management LLC, produces northern bleached kraft pulp for use in making a variety of paper and tissue products. The Company has the capability to manufacture both softwood and hardwood pulp and various blends of each. The Company's two major products are NPNS HARMONY Softwood (northern bleached softwood kraft pulp) and NPNS Hardwood (northern bleached hardwood maple kraft pulp).