

**Monday, March 1, 2010**

ENVIRONMENT/ECONOMIC/RURAL DEVELOPMENT--Province Supports Forestry Industry,  
Environment, Economy

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The province is protecting jobs and the environment by partnering with one of Nova Scotia's largest employers and a key contributor to the province's \$700-million forestry industry.

Percy Paris, Minister of Economic and Rural Development, announced today, March 1, that the province is loaning \$75 million to help Northern Pulp purchase 475,000 acres of land. The purchase, from Neenah Paper, will ensure a wood supply to the Abercrombie, Pictou Co., pulp mill and protect the land as a forestry asset.

"This investment is another example of government's commitment to protecting jobs that our economy needs," said Mr. Paris. "Ownership of this woodland is critical to the long-term viability of the pulp mill and for the sustainability of the province's forestry industry."

Northern Pulp directly supports about 1,700 high-paying rural jobs in northern and central Nova Scotia.

"The jobs go well beyond those in forestry," said Mr. Paris. "This agreement also benefits the people who work with the company's contractors and suppliers -- and in the corner stores, car dealerships and other businesses where our forestry workers spend their hard-earned money."

Northern Pulp is a major player within the province's forestry and paper industry. The forest industry contributes \$700 million to Nova Scotia's gross domestic product, employs about 11,000 people and has more than \$1 billion in exports, or 17 per cent of Nova Scotia's export trade.

The province will also invest \$16.5 million to purchase 55,000 acres of the land Northern Pulp is buying, most of which is slated for protection in Cumberland, Colchester, Pictou, Halifax, Hants and Guysborough counties.

"This purchase includes some exceptional natural land for protection at an excellent price and will help us move toward our goal of protecting 12 per cent of the province's land mass by 2015," said John MacDonell, Minister of Natural Resources.

The province purchased the land for \$300 per acre, well below market value.

The provincial investment will also allow Northern Pulp to invest \$5 million to reduce odour in the community surrounding the Abercrombie mill.

"Buying the forest land is a win for our mill, our employees, the surrounding area and the people of Nova Scotia," said Wayne Gosse, CEO and CFO of Northern Pulp Nova Scotia. "We have been sustainably managing the resources entrusted to us for over 40 years and Northern Pulp's ownership of these lands means we can continue to do so for generations to come."

Cassie Turple, second vice-president of the Forest Products Association of Nova Scotia, said the land acquisition represents a more secure future for the province's forestry industry.

"Northern Pulp is a major wood supplier and a significant buyer of wood chips to produce pulp at their mill," said Ms. Turple. "Northern Pulp's acquisition of these lands helps provide a consistent supply of wood, and a long-term customer for chip suppliers. This is good for our industry and those who work in

it throughout Nova Scotia."

The land purchase will allow Northern Pulp and the Mi'kmaq to develop a benefits agreement for training, economic development and employment.

"The Mi'kmaq are encouraged that the province is promoting the principle that business and industrial proponents should reach agreement on social and economic benefits for the Mi'kmaq when development takes place in Nova Scotia," said Chief Gerard Julian, co-chair, Assembly of Nova Scotia Mi'kmaq Chiefs. "The assembly welcomes the chance to work with Northern Pulp to determine a beneficial relationship."

Funding for the Northern Pulp loan will come through the province's Industrial Expansion Fund. Funding for the land purchase comes from \$75 million budgeted in September 2009.

These transactions are consistent with the 2006 Softwood Lumber Agreement. None of the parties involved, Northern Pulp, Northern Timber, nor Neenah Paper, own or operate sawmills, nor are they related to softwood lumber producers.

Northern Pulp Nova Scotia Corporation was created in 2008 after the sale of the former Neenah Paper pulp mill. The mill has operated in Pictou County since 1967.