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Atlas Holdings LLC Completes Sale of Northern Resources Nova Scotia Corporation to Paper Excellence Canada Holdings Corporation

To Our Partners, Investors, Employees and Friends,

We are pleased to announce that Atlas Holdings LLC (“Atlas”) has completed the sale of Northern Resources Nova Scotia Corporation (“Northern Resources”) to Paper Excellence Canada Holdings Corporation (“Paper Excellence”), a Vancouver-based pulp manufacturing company. Northern Resources is the parent company of Northern Pulp Nova Scotia (“Northern Pulp”), our kraft pulp mill located in Pictou County, Nova Scotia, and Northern Timber, which owns timberlands in Nova Scotia that support the operation of the mill.

We acquired Northern Pulp from Neenah Paper in 2008 amidst uncertainty about the mill’s future as a result of very difficult business conditions in the pulp and forestry sectors worldwide. Since then, Northern Pulp’s workforce has improved efficiency and productivity and management has worked closely with local government and other stakeholders to stabilize the business. From 2008 to 2010, the mill’s annual production increased 13%, from 249,030 tons to 282,100 tons, while the company’s safety record improved to the best performance in the mill’s 44-year history, including a 256-consecutive-day period without a lost-time incident. In addition, we invested more than \$15 million to improve the pulp operation, acquired substantial forestlands to support the long-term operation of the mill and worked constructively with the Pictou Landing First Nation to improve the working relationship between the First Nation band and the mill.

The formation of Northern Resources was a natural extension of our experience operating in the pulp and paper sector through businesses such as Finch Paper and Forest Resources. In addition, our investment in Northern Resources was consistent with our strategy of investing in highly complex transactions in distressed environments. We acquired an operationally challenged business that was in danger of being shutdown. We worked closely with multiple constituencies—including the local union, the Province of Nova Scotia and other stakeholders—to facilitate operational change that enabled improved performance and preserved the long-term viability of the asset.

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We are very pleased to transfer ownership to Paper Excellence and believe its strategic focus and substantial technical and financial resources will continue to ensure the long-term competitiveness of the mill. We would like to thank Dr. John Hamm, the Chairman of Northern Resources; our senior management team at Northern Resources — Wayne Gosse, Tim Lowe, Don Breen, Bob Bagdon and Mike McLarty; and Operating Partners Charlie Stinnett and Lee Bingham, for their hard work and dedication in transforming Northern Resources into a long-term competitive business. We would also like to thank our friends at Central National-Gottesman for expertly marketing all of Northern Pulp's production throughout the period of our ownership. Lastly, we would like to recognize the tremendous contribution our partner in Northern Resources, Blue Wolf Capital, made to the success of this adventure.

Sincerely,

Andrew Bursky
Managing Partner

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Timothy Fazio
Managing Partner

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