



PRESS RELEASE – For Immediate Release

**KRUGER INVESTS \$3.5 MILLION
TO IMPROVE ENVIRONMENTAL PERFORMANCE AT ITS
MANIC AND PARENT SAWMILLS**

Construction of Residue Boilers

Montréal, October 11, 2001 – Today, the Kruger company announced it was investing 3.5 million dollars to build two residue boilers that would use sawmill residues – shavings, sawdust and ground up bark– one at Scierie Parent, in the Upper Mauricie and the other at Scierie Manic, in Ragueneau, on the North Shore.

“We are pleased to announce this investment which demonstrates our commitment to remain a leader in technology and environmental issues”, said Mr. Roger Robitaille, Senior Vice President, Forest and Wood Products Division of Kruger Inc. “With this investment, which will be completed in the next few months, we will be able to burn the residue produced by the transformation of logs into lumber to improve our environmental performance” he added.

In keeping with its environmental policy aimed at the protection of natural resources, including air, water and soil, and based on the principle that the consumption of fossil fuels is responsible for the increase in greenhouse gas emissions, Kruger is reducing its energy consumption to a minimum in all its mills and processes.

The increased use of biomass as a combustible, combined with a lower consumption of fossil fuels, is an efficient way of reducing greenhouse gases. In addition, using biomass as combustible reduces the volume of material sent to landfill sites, whose proliferation also contributes to increasing the quantity of greenhouse gas emitted. In terms of energy conservation, the heat produced by these new residue boilers will supply the sawmills’ dryers and enable the eventual addition of two more dryers. “Our goal is to satisfy our clients and produce premium quality products while respecting the environment”, Mr. Robitaille concluded.

Kruger is sole owner of 5 sawmills: Scierie Parent, Scierie Manic, Scierie Beaulieu, Scierie HCN and Scierie Gallichan. It is also a partner in the Gérard Crête et Fils group, whose Head Office is situated in the Upper Mauricie. Kruger – Forest and Wood Products is the 5th largest producer of lumber in Québec.

Kruger is a leader in sustainable forest ecosystems and recycling. The company is a major pulp and paper producer engaged in the manufacturing and sale of newsprint, supercalendered and coated grades, specialty publication paper, tissue (Scott Paper Limited – Canada), linerboard, packaging, lumber and other forest products. The company has operations in Québec, Ontario, Alberta, British Columbia and Newfoundland, the United States and the United Kingdom and employs over 10 500 people.

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