

**ONTARIO SELECTS KRUGER, ENERGY GROUP
TO BUILD A 101.2-MEGAWATT WIND PARK**

Major breakthrough for Kruger in renewable energy

Montreal, November 29, 2005 – Kruger, Energy Group has just been selected by the Ontario Ministry of Energy to complete a 101.2-MW wind farm project. The project is valued at some \$200 million and will be located at Port Alma, south of Chatham on the shores of Lake Erie, and is capable of supplying the equivalent of 25,000 homes. It is one of nine projects for clean, renewable energy approved last week by the Ontario government. By the terms of the contract, Kruger, Energy Group will sell renewable energy to the *Ontario Power Authority* for a period of 20 years.

“For Kruger, Energy Group, this is a major breakthrough in the renewable energy industry, a breakthrough that is all the more significant because this is one of the most important wind energy projects in Canada,” said Jacques Gauthier, Senior Vice President and Chief Operating Officer of Kruger, Energy Group. “In addition, this important contract confirms the Energy Group’s firm commitment to renewable energy projects that make a significant contribution to reducing greenhouse gas emissions in compliance with the Kyoto Protocol,” he added.

Kruger, Energy Group is the only Quebec company that has been selected to support the Ontario government’s efforts in wind energy production.

Kruger, Energy Group responded to a second request for proposals from the Ontario government, which has set the ambitious objective of producing 10% of the province’s electricity from renewable energy by 2010. With these two calls for tenders, Ontario will be adding more than 1300 megawatts of wind energy to its electricity grid.

In accordance with its mission, Kruger, Energy Group, a division created at the beginning of 2004, is also proceeding with several acquisition projects in the energy sector. In addition, last August, the company started construction of a 23-MW biomass cogeneration plant at Kruger’s mill in Bromptonville (Sherbrooke), which represents an investment of over \$85 million. This plant alone will bring a reduction in greenhouse gas emissions in the order of 83,000 tonnes per year, the equivalent of removing 18,000 vehicles from the roads.

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 other wood products, including DRiCore, the most recently patented unique engineered sub-flooring system. In March 2004, Kruger Inc. established a new business unit, the Kruger Energy Group, to achieve its growth objectives in the energy sector. 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 Cashmere from Cottonelle, Purex, SpongeTowels, 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 and Labrador, the United States, United Kingdom and employs over 10,500 people.

INFORMATION

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