



NEWS RELEASE – For immediate release

**TAFISA AND KRUGER SIGN A PARTNERSHIP AGREEMENT
FOR RECYCLED WOOD PROCUREMENT IN QUÉBEC**

Montréal (Québec), December 10, 2007 – Tafisa Canada and Kruger announced today that they have signed a partnership agreement for the purchase in Québec of grade A and grade B recycled wood, two resources that are vital to their daily operations. With this agreement, the two partners will form one of the largest buying and selling consortia in the field of fiber and recycled wood in Québec.

Grade A recycled wood is an essential component of Tafisa's particleboard production, since it can be upgraded through proper conditioning, while grade B recycled wood, which is less clean and more degraded, is used as boiler fuel by Tafisa and by Kruger at their Brompton (Sherbrooke) biomass cogeneration plant.

This exclusive joint venture will not only reinforce business relations between the two partners and recycled wood producers, it will also facilitate the purchase of grade A and grade B recycled wood by guaranteeing sales volumes for wood recyclers who provide these two products.

This partnership agreement is perfectly aligned with the environmental mission of the two parties who are both committed to an optimal and ecological use of all types of recycled wood products.

Established in 1990 in Lac Mégantic (Québec), the Tafisa Canada plant is the leading particleboard and thermofused melamine production plant in North America. Tafisa employs 325 workers and its production capacity represents approximately 10% of the North American market.

Founded in 1904, Kruger Inc. is a major producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibers, green and renewable energy and wines and spirits. The Company is also a leader in paper and paperboard recycling in North America. Kruger operates facilities in Quebec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, in the United States and the United Kingdom and has 10,000 employees.

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