

For immediate release

**CORNER BROOK PULP AND PAPER WITHDRAWS
TIRE DERIVED FUEL (TDF) CO-FIRING TRIAL PROJECT**

Corner Brook, January 21, 2011 – Corner Brook Pulp and Paper Limited (CBPPL) today announced its decision to withdraw its proposal to test tire derived fuel (TDF) at the Mill due to the lack of consensus over the project. Since it filed for a provincial environmental assessment in October 2010, and after collecting feedback from the population and local stakeholder groups, the Company came to the conclusion that the project did not garner sufficient support to conduct TDF trials under harmonious and objective conditions.

About CBPPL

In operation since 1925, Corner Brook Pulp and Paper Limited has 600 employees. In 1984, the Mill was acquired by Kruger Inc., a major Canadian producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibres, 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, British Columbia, Newfoundland and Labrador and the United States.

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