



News release – Boiler upgrade construction nears completion

(August 8, 2011) Port Mellon, BC - Howe Sound Pulp and Paper Corporation (HSPP) announced today that it is in the final stages of completing the upgrade of its wood waste boiler under the facility's \$37 million federal Green Transformation Program. Since late May, the mill has focused on the replacement of the bottom half of the furnace with advanced technology that uses a fluidized sand bed to burn waste bark. Later this week, the mill will begin burning natural gas in the boiler to commence the week long commissioning and start-up process.

HSPP's President and CEO Mac Palmiere said "We're delighted to be finishing the project and the challenges of such significant work. The boiler will be cleaner, more efficient and more reliable. It plays a pivotal role in our generation of new green power for all British Columbians through our connection to the grid."

During the project and continuing no later than August 19, 2011, the low concentration portion of the Kraft mill's odourous gases, which are normally incinerated, have been vented. HSPP has implemented additional procedures to monitor and react to continuous ambient air quality measurements made in Langdale. Mac Palmiere added "We sincerely appreciate our neighbours' patience with the additional traffic, activity, and odour. They certainly deserve part of the recognition for the project's success."

Howe Sound Pulp and Paper Corporation operates a market Kraft mill and paper machine in Port Mellon, BC with an annual production capacity of 400,000 tonnes of pulp and 230,000 tonnes of newsprint. The company employs 450 people and is the backbone of the lower Sunshine Coast's economy.

For general information:

Mac Palmiere
President and CEO
604-884-2430

For odour emissions information and/or feedback:

Siew Sim
Environment and Quality Specialist
604-884-2763

Backgrounder on HSPP's Boiler Upgrade under its Green Transformation Program

Howe Sound Pulp & Paper Corporation (HSPP) has almost completed the upgrade of its wood residue boiler as part of their \$37 million federal Green Transformation Program funding. This project improves the boiler's reliability, combustion efficiency and fuel handling capacity while reducing emissions. These improvements and other initiatives at the site will result in the generation of green power; enough for 36,000 British Columbian homes.

Key aspects of the program:

- HSPP's wood waste boiler will be upgraded with a replacement of the bottom half of the unit with advanced technology that uses a fluidized sand bed to burn waste bark.
- In 2010, HSPP and BC Hydro reached an agreement under BC Hydro's Integrated Power Offer that enables HSPP to sell extra green power to the grid enhancing the mill's economic fundamentals and improving BC's green power profile.
- Improved energy generation from the refurbished boiler combined with internal power reductions will result in an addition 400 GWhrs of green power.
- The refurbished boiler will reduce natural gas consumption by 6.5 million cubic metres a year reducing the mill's greenhouse gas emissions by 12,000 tonnes – equal to about 3,000 passenger vehicles.
- At the peak of the construction phase, up to 250 employees will be dedicated to complete the 150,000 man hours of work on the modernization project.
- The mill monitors its odour levels with continuous analysers in Langdale and has established procedures in place to reduce emissions should air quality be compromised.