

## For immediate release

**Port Mellon, BC, Canada** - Howe Sound Pulp and Paper Limited Partnership (“Howe Sound”) announced today that it and its owners have entered into a purchase and sale agreement for the sale of all of its assets to Paper Excellence B.V. The transaction is subject to customary closing conditions and closing is expected during the third quarter of 2010.

Paper Excellence B.V. owns pulp mills in France, as well as a pulp mill in Mackenzie, BC, and a BCTMP mill in Meadow Lake, Saskatchewan.

For all of Howe Sound’s suppliers and employees, we expect it will be business as usual when the transition to Paper Excellence occurs. To the customers of Howe Sound: we have appreciated your support in the past and we will follow-up with you individually in the coming weeks as the transaction progresses to completion.

**Mac Palmiere**  
President & CEO  
Howe Sound Pulp and Paper Limited Partnership

For further information please contact  
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