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For Immediate Release

## **Neucel Specialty Cellulose Celebrates Corporate Turnaround**

### ***\$60 Million Investment Pays Off for Company, Community***

**PORT ALICE, BC (August 28, 2006)** – Neucel Specialty Cellulose has dramatically improved its financial strength and revenue position since the Port Alice pulp mill officially opened on May 5, 2006. The new mill, which produces high-purity cellulose for a variety of industries, has revitalized the company and town of Port Alice, British Columbia.

The opening of the pulp mill brought 350 jobs back to Port Alice, a community of 700 people on northern Vancouver Island. Neucel Specialty Cellulose purchased the facility as part of an over \$100-million (\$C) long-term investment plan that was designed by the company's new ownership. So far, over \$60 million has been invested in capital and technological upgrades to the property. Additional monies are currently being raised and are earmarked for the Port Alice business.

Neucel Specialty Cellulose was recently acquired by a collection of international investors from Canada, the United States, and Switzerland who recognized the potential market for high-purity cellulose, which can be used in pharmaceuticals, consumer products, film, food thickeners, fabrics, LCD screens, and eyeglass lenses. The company then worked with government officials and the local community to establish a fair taxation system and progressive labor agreement that would allow Neucel Specialty Cellulose to transform the Port Alice mill into a high-tech manufacturing facility.

"It has been a remarkable group effort from day one. The company, the community, and the government have rallied together to make this new mill a success, and our efforts are paying off across the board," said David Mariano, partner at Wellspring Capital. "We are meeting and exceeding all expectations."

#### **About Neucel:**

Neucel Specialty Cellulose is owned by Wellspring Capital Partners and Charlestown Investments.

Wellspring is a New York-based private equity firm that has consistently ranked among the top-performing private equity funds specializing in the middle market. Wellspring currently manages more than \$2 billion in equity capital on behalf of some of the largest and most respected institutional investors in the United States, Canada, and Europe. Long-term limited partner investors in Wellspring include pension and retirement plans, representing the interests of over 2,000,000 members in North America (including more than 250,000 Canadian public workers).

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Charlestown Investments is an investment holding company registered in Zug, Switzerland, and controlled by a group of private European investors. Charlestown has other investments in software, real estate, biotechnology and business services providers.

For more information on Neucel Specialty Cellulose, visit the company newsroom at [www.neucel.com](http://www.neucel.com).

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