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For Immediate Release

Neucel Specialty Cellulose Accelerates Production Through Capital Investment

PORT ALICE, BC (September 26, 2007) – Neucel Specialty Cellulose is accelerating the second phase of its capital investment strategy to keep pace with stronger-than-expected sales of its chemical cellulose products. Neucel plans to spend approximately C\$20 million of capital in projects over the next twelve months to expand production and improve cost efficiency at the company's primary manufacturing plant in Port Alice, British Columbia. Neucel currently sells 100 percent of the product produced at the facility.

"We are significantly ahead of schedule on sales, which provides us with an exciting opportunity to ramp up production more quickly than originally planned," said Ari Chaney, president and CEO of Neucel Specialty Cellulose. "We are pursuing the same capital investment strategy, only on a more accelerated timeline."

Neucel has successfully finished the first phase of its capital program, with a complete upgrade and refurbishment of key equipment in the Port Alice mill. Additionally, Neucel recently installed a wash press at the mill to increase the efficiency of production of high-purity grades of its chemical cellulose products. "The installation of the wash press was an important achievement for the mill. The wash press allows us to produce high grade acetates more efficiently as well as enables us to serve customers that need high-viscosity ether grades," said Ari Chaney.

Neucel produces hemlock based high-purity chemical cellulose for pharmaceuticals, consumer products, film, food thickeners, fabrics, LCD screens, eyeglass lenses, and other products.

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About Neucel:

Neucel Specialty Cellulose is owned by a consortium of investors, lead by Wellspring Capital Management and GSC Group.

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.

GSC Group is a registered investment advisor with more than \$24 billion of assets under management. The firm specializes in credit-driven investing including corporate credit, equity and distressed investing and real estate. GSC Group, with over 180 employees, has offices in New Jersey, New York, London and Los Angeles. GSC's investors include both institutional investors and substantial net worth individuals seeking sophisticated and attractive alternative investing opportunities. For more information about the firm, please visit www.gsc.com.

For more information on Neucel Specialty Cellulose, visit the company newsroom at www.neucel.com.

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