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Neucel Appoints Robert Taylor as New Chief Executive Officer

PORT ALICE, BC (October 31, 2007) – Neucel Specialty Cellulose today announced that Robert Taylor has been named as the company's new Chief Executive Officer effective November 19, 2007.

Robert Taylor has over 25 years of professional experience in the pulp and paper and chemical cellulose industry. Mr. Taylor has held various senior management positions in operations at International Paper Company, including seven years with the dissolving pulp mill operations located in Natchez, Mississippi. At Sappi Fine Paper North America, Mr. Taylor was Vice President of Manufacturing and was responsible for pulp sales, wood procurement and engineering as well as operations for five manufacturing facilities throughout North America. He holds a Ph.D. in chemical engineering from the University of New Brunswick and has published several articles on the subject of manufacturing and maintenance.

Ari Chaney has fulfilled the company's interim mandate as CEO and has successfully positioned Neucel as a strong platform for the future. He has been appointed as a special advisor to the Board of Directors of Neucel and will assist the company during the transition period. Mr. Chaney plans to continue to assist private owners with their management of portfolio companies as President and Founder of Leveraged Restructuring Group, LLC. Under Mr. Chaney's leadership, Neucel's accomplishments include:

- Implementation of significant capital improvement projects
- Increase of production efficiencies and reduction of operating costs
- Assembly of a strong wood supplier base, including contracted fiber sources
- Significant ramping-up of sales to 100% of facility production

“I am very excited to join the Neucel team and help build on the significant accomplishments achieved to date. The chemical cellulose business is an exciting business and Neucel has the capital investor base and the employee talent to emerge as a key international leader in this market,” said Robert Taylor.

“I'm pleased to say that Neucel is now on solid footing and has entered into its next phase of capital investment and growth. Bob's extensive industry experience and manufacturing expertise are valuable attributes that will lead Neucel in this next phase,” said Ari Chaney.

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.

About Neucel:

Neucel produces hemlock based high-purity chemical cellulose for pharmaceuticals, consumer products, film, food thickeners, fabrics, LCD screens, eyeglass lenses, and other products. Neucel Specialty Cellulose is owned by a consortium of investors, lead by Wellspring Capital Management and GSC Group. For more information on Neucel Specialty Cellulose, visit the company newsroom at www.neucel.com.

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. For more information about the firm, please visit www.wellspringcapital.com.

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.