

KPAQ Plans Second Paper Machine at Louisiana Mill

March 25, 2011

KPAQ Industries LLC announced plans today to start a second paper machine at the company's St Francisville, Louisiana Mill. The K2 paper machine has capacity to produce 30,000 tons/year of lightweight specialty papers including machine glazed (MG) papers used widely in the food service and packaging industries as well as wet creped products used for filters and industrial applications. The target for the startup is midsummer. Between 30 and 40 full time jobs will be created to support this new operation.

Amzak Capital Management created KPAQ Industries LLC with the purchase of the St. Francisville Mill in April 2010 and has successfully repositioned the former coated publication papers mill as a producer of lightweight and ultra-lightweight Kraft Linerboard (KLB). K1 paper machine, currently operating at an annual rate of 220,000tons/year, produces these products. A 300,000 ton/year Softwood Kraft Pulp Mill provides all fiber requirements.

"We have been very pleased with the steady progress in developing the full potential of this great site. Target projects plus the creativity of our people provided a steep improvement trend. The start of K2 is a natural evolution;

- 1) It acknowledges our progress,*
- 2) Leverages the resources and operating platform we have in place and*
- 3) Expands our product line into markets that appreciate the versatility and quality historically provided by this machine"*

Mike Kazma, CEO Amzak Capital Management