



News Release

Weyerhaeuser, Nexterra and Paprican Team Up to Tackle Skyrocketing Fuel Costs at Pulp Mills

Nexterra's gasifier to provide low-cost, biofuel alternative to natural gas

Vancouver, BC - May 8, 2006 - Nexterra Energy Corp. announced today that it has signed an agreement with Weyerhaeuser's Kamloops Cellulose Fiber mill and Paprican, the Pulp and Paper Research Institute of Canada, to verify the application of Nexterra's innovative gasification technology for pulp mill lime kilns.

Nexterra's gasifier enables mill operators to significantly reduce fuel costs by converting boilers, kilns and dryers from natural gas to "syngas" – a clean, low-cost biofuel produced by gasifying wood residue.

"Reducing our fuel costs is a strategic priority for Weyerhaeuser, so we're excited to be working with Nexterra and Paprican on a potential gasification solution for our lime kilns," said Bill Adams, Manufacturing Services Manager at the Weyerhaeuser Kamloops Mill. "Over the past decade we have significantly decreased our reliance on fossil fuels. Nexterra's gasification technology shows tremendous potential as a clean, cost-effective solution to lower energy costs in our kraft mills and move us closer to energy self-sufficiency. This agreement allows us to take a closer look at how the gasifier would perform in our mill before making a decision to acquire the technology."

Adams said that the Nexterra gasifier system has the potential to reduce greenhouse gas emissions at the Kamloops mill by 25,000 tonnes per year. The 60 million Btu/hr gasification system would displace the equivalent amount of natural gas needed to heat 4,000 residential homes.

North America's pulp and paper industry consumes 900 trillion Btu of natural gas and fuel oil each year at a cost of US \$8.0 billion. There are 150 kraft pulp mills in North America, each consuming millions of dollars of natural gas or fuel oil in their lime kilns. Since the mid-1990s, the cost of natural gas has increased by 500 per cent, leaving North America with some of the highest natural gas prices in the world and placing severe competitive pressures on North American forest companies.

"We are very pleased to be a partner in this project," said Mike Towers, Senior Research Engineer at Paprican. "Rising energy costs continue to be a major challenge for the pulp and paper industry, and lime kilns are major consumers of fossil fuels. Developing alternative fuel systems, such as Nexterra's gasification technology, is essential for the industry to remain competitive. We are confident that this project will demonstrate an attractive option for substituting fossil fuels in lime kilns and achieving critical cost reductions."

"Firing lime kilns with syngas is a natural extension of our gasification technology and represents a significant new market opportunity for Nexterra," said Jonathan Rhone, Nexterra President and CEO. "We are very pleased to collaborate with Weyerhaeuser and Paprican, both of whom have well-established track records of innovation, as well as the commitment and technical capabilities needed to make this project a success."

About Weyerhaeuser Company – Weyerhaeuser Company, one of the world's largest integrated forest products companies, was incorporated in 1900. In 2005, sales were \$22.6 billion. It has offices or operations in 18 countries, with customers worldwide. Weyerhaeuser is principally engaged in the growing and harvesting of timber; the manufacture, distribution and sale of forest products; and real estate construction, development and related activities. Additional information about Weyerhaeuser's businesses, products and practices is available at: www.weyerhaeuser.com.

About Nexterra Energy Corp. – Nexterra Energy Corp. develops and manufactures biomass gasification systems that convert solid fuels into clean, low-cost heat and power. Nexterra systems enable customers

who self-generate energy, such as the forest industry and institutional users, to produce energy using residual or waste fuels produced on-site. This results in lower energy costs and less reliance on natural gas and grid-purchased electricity. In April 2005, Tolko Industries Ltd. purchased a multi-million dollar Nexterra gasification system for its plywood plant near Kamloops, BC. In November 2005, Nexterra sold a system to US multinational Johnson Controls Inc. as a key component in a \$16 million biomass cogeneration plant that JCI is supplying to the University of South Carolina. For more information, go to: www.nexterra.ca.

About Paprican, the Pulp and Paper Research Institute of Canada – Paprican is a leading not-for-profit research and technology institute that provides valuable technology transfer and cost-competitive research addressing both the short-term and strategic needs of its members. Its research programs are driven by the high-priority technical issues of the industry such as product quality and value, cost competitiveness, environment and sustainability. Internationally recognized for excellence, Paprican operates laboratories in Quebec and British Columbia, and is well positioned to offer services to the global pulp and paper industry. For more information, go to: www.paprican.ca.

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For further information, please contact:

Nexterra Energy Corp.
Raymond McAllister
Director, Communications
Tel: (604) 637-2507
Email: rmcallister@nexterra.ca

Weyerhaeuser Company – Kamloops Mill
A Weyerhaeuser spokesperson will be available for media interviews.
Please contact Raymond McAllister (see above) for contact information.

Paprican
Mike Towers
Senior Research Engineer
Tel: (250) 561-4410
Email: mtowers@paprican.ca

Anne-Josée Laquerre
Group Leader, Communications
Tel: (514) 630-4122
Email: alaquerre@paprican.ca