

Nexterra Energy to Supply Biomass Gasification System to Kruger Products Paper Mill in New Westminster BC Direct Fired Boiler Application Marks Industry First

New Westminster, B.C., November 19, 2008 – Nexterra Energy Corp. (www.nexterra.ca) announced today that it has been selected by Kruger Products Ltd. to supply a biomass gasification system for its tissue mill in New Westminster, B.C. The new system will be the first of its kind in the pulp and paper industry.

Kruger Products Ltd. (www.krugerproducts.ca) is Canada's leading paper tissue manufacturer. Kruger operates facilities in Quebec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, in the United States and the United Kingdom, and has 9,000 employees.

Nexterra's turnkey gasification system will convert locally sourced wood residue into clean burning "syngas" that will be fired directly into a boiler in place of natural gas. The Kruger installation will produce 40,000 lbs/hour of process steam and displace approximately 445,000 gigajoules (GJs) of natural gas annually. This is equivalent to the amount of natural gas used to heat 3,500 homes in Canada for a year.

Displacing this amount of natural gas with syngas made from wood fuel will lower the mill's energy costs by millions of dollars a year, making the mill less reliant on fossil fuels. It will also reduce greenhouse gas emissions from the plant by more than 22,000 tonnes per year, the equivalent of removing nearly 5,500 cars off Canadian roads.

"Kruger Products has taken a leadership role in incorporating green technology in our business practices for 20 years," says Mario Gosselin, COO, Kruger Products Ltd. "Today, we're at the forefront. Our goal is to be North America's foremost provider of quality tissue products that embrace a commitment to sustainability for future generations. Our new biomass gasification system brings us closer to achieving our goal."

"Our New Westminster mill is situated in an urban area, so we needed the cleanest technology available, and in a challenging economic climate, we also needed the most cost-competitive," said Frank van Biesen, VP Technology Kruger Products Ltd. "Nexterra's biomass gasification system addresses both challenges, significantly reducing both greenhouse gas emissions and energy costs."

Kruger, Nexterra and FPInnovations have formed a consortium to build the new system, the first commercial demonstration of Nexterra's direct fired gasification solution. The project has received support from Natural Resources Canada (NRCan), the British Columbia Innovative Clean Energy (ICE) Fund and Ethanol BC.

"B.C.'s Innovative Clean Energy (ICE) Fund invested in this project because it benefits industry, the environment and the people of B.C.," said Ida Chong, Minister of Technology, Trade and Economic Development. "It speaks to the potential of B.C.'s clean technology sector to help our industries lower costs and remain competitive, while also significantly lowering their carbon footprint."

Earlier this year, Nexterra announced the successful completion of a two-year testing program to confirm that direct firing of syngas can displace up to 100 per cent of the fossil fuels in industrial boilers.

"Kruger Products' new gasification system at its New Westminster mill clearly demonstrates its commitment to the environment and the sustainability of the community in which they operate," said Nexterra's president and CEO Jonathan Rhone. "Kruger, FPInnovations, Ethanol BC, and the federal and provincial governments have been tremendous partners in this project, and we look forward to completing the plant later next year."

Jim Dangerfield of FPInnovations said advancements to Nexterra's gasification technology makes the switch from fossil fuels to syngas an attractive option for many of North America's pulp and paper mills and other industrial sites.

"Nexterra's direct fired gasification system is a platform technology that can be used in many industrial applications," Dangerfield said. "Replicating Nexterra's technology at industrial sites in B.C. could result in an estimated 200,000 tonnes of greenhouse gas emission reductions in British Columbia annually by 2020."

*An illustration of Nexterra's gasification system at the Kruger Products New Westminster B.C. mill, a backgrounder on the project and a Nexterra corporate profile are available.
<http://www.nexterra.ca/news/media.cfm>*

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For further information, please contact:

Nexterra Energy Corp.

Raymond McAllister
Director of Communications
Tel: 604.637.2507
Email: rmcallister@nexterra.ca

Kruger Products Limited

Frank van Biesen
Vice President, Technology
Tel: 905.812.6912 Cell: 416.527.3134
Email: frank.vanbiesen@krugerproducts.ca

About Kruger Products and Kruger Inc. – Kruger Products, a wholly owned subsidiary of Kruger Inc., is Canada's leading tissue manufacturer. It serves the Canadian consumer market with such well-known brands as Cashmere, Canada's best-selling bathroom tissue; Purex, SpongeTowels, Scotties and White Swan; as well as away from home products for industrial and commercial use across Canada.

Founded in 1904, Kruger Inc. is a major producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibers, green and renewable energy and wines and spirits. The Company is also a leader in paper and paperboard recycling in North America. Kruger operates facilities in Quebec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, in the United States and the United Kingdom and has 9,000 employees.

About Nexterra Energy Corp. – Nexterra Energy is a leading developer and supplier of advanced gasification systems that enable customers to self-generate clean, low cost heat and/or power using waste fuels "inside-the fence" at institutional and industrial facilities. Nexterra gasification systems provide a unique combination of attributes including design simplicity, reliability, versatility, ultra-low emissions, low cost and full automation to provide customers with a superior value proposition compared to conventional solutions. Nexterra is a private company based in Vancouver, B.C. For more information: www.nexterra.ca.

About FPI innovations™ – Founded on April 1, 2007, FPIinnovations brought together Feric, Forintek, Paprican and the Canadian Wood Fibre Centre of Natural Resources Canada, to create the world's largest private, not-for-profit forest research institute. With over 600 employees located across Canada, it united the individual strengths of each of these internationally recognized forest research and development institutes into a single, greater force. FPIinnovations is defining the future of forest sector research through: leadership in forestry; innovation in wood products; and creativity in pulp, paper and beyond. For more information: www.FPIinnovations.ca

About Natural Resources Canada – Natural Resources Canada (NRCan) puts innovative science and technology to work so Canada's natural resources sector can continue to contribute to our quality of life, now and in the future. Visit www.nrcan.gc.ca to learn more. For information on the Government of Canada's ecoENERGY initiatives, please visit: www.ecoACTION.gc.ca.

About the B.C. Government ICE Fund – The mandate of ICE Fund is to accelerate the development of new energy technologies that have the potential to solve real, everyday energy and environmental issues and create significant socio-economic benefits for all British Columbians. ICE Fund investments address specific BC energy and environmental problems, showcase B.C. technologies that have a strong potential for international market, support new pre-commercial energy technology, and demonstrate commercial success for new energy technologies. For more information: www.gov.bc.ca

About Ethanol BC – Ethanol BC is a non-profit R&D funding organization administered by FPIinnovations. Grant funding comes from a unique tax shifting mechanism established under regulation by the provincial government. The program effectively allows forest companies operating bee-hive incinerators to pay a portion of their permit fees to Ethanol BC. These funds in turn are used to spur research and demonstration of new technologies that will ultimately utilize mill wood residues that are now being incinerated as wastes.