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Tolko celebrates launch of gasification plant

Syngas plant converts wood residue into low-cost, clean thermal energy

Government and community leaders joined Tolko Industries Ltd. last fall to celebrate the official opening of the Company's new gasification plant located at its Heffley Creek Plywood Division. The system will not only save the mill more than $1.5 million in annual fuel costs, but will also improve local air quality and reduce Tolko's greenhouse gas emissions by 12,000 tonnes per year.

Using technology developed by Nexterra Energy Corp., the new "syngas" plant converts wood residue obtained from the fibre used in the operation into low-cost, clean, thermal energy. This energy replaces the need for high-cost natural gas and moves the mill closer to energy self-sufficiency. The new gasification system operates 24 per day, 7 days a week using state of the art PLC control systems.

"This gasification project fits in with our goal of sustainable environmental management," said BC Energy Minister Richard Neufeld. "Using bioenergy is a concept we will be looking at as part of our bioenergy strategy as it provides economic development opportunities, takes advantage of pine beetle-attacked timber and contributes to healthy communities."

Al Thorlakson, Tolko's President and CEO, said the successful completion of the gasification plant is a collaborative effort. "Completion of this plant is a result of the combined efforts and commitment of Nexterra Energy Corp. who supplied the technology and the provincial and federal governments. We look forward to further partnership opportunities as we assess the potential to invest in technology that will achieve our business objectives and our sustainability and environmental goals to ...contribute to the well-being of future generations through responsible environmental performance."

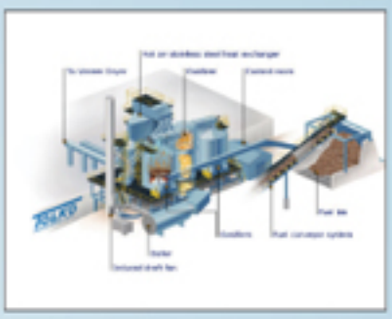

Illustration of Tolko's new Nexterra gasification system at its Heffley Creek plywood mill near Kamloops, BC

Tolko Gasification System Highlights

Start-up: May 2006
Heating Capacity: 38 MMBtu/hr
Gas Displacement: 235,000 GJ/yr
Fuel: 25,000 tonnes per year of hog fuel/bark wood residue
Moisture Content: 25 - 55 %
Greenhouse Gas Reduction: 12,000 tonnes per year
Annual Fuel Cost Savings: $1.5 million

Process Description:
- Two gasifiers produce syngas
- Oxidizer combusts syngas
- Heat exchanger heats air for veneer dryer
- Boiler heats water for log conditioning
- VOCs from dryer are consumed in oxidizer

Nexterra, www.nexterra.ca

Fastinfo #166

Tolko Industries celebrated the grand opening of their new Nexterra gasification plant at the company's heffley creek plywood mill near Kamloops, BC. Pictured here touring the plant are (l-r) BC Energy Minister Richard Neufeld, Tolko CEO Al Thorlakson and Nexterra CEO Jonathan Rhone.