

## **Laidlaw New Hampshire Renewable Energy Project Signs Energy Alliance with Fraser Papers**

Berlin, New Hampshire—(Business Wire)—December 4, 2007—Laidlaw Berlin, LLC, an affiliate of Laidlaw Energy Group, Inc. (Ticker Symbol “LLEG”), and Fraser N.H. LLC (“Fraser”), an affiliate of Fraser Papers, Inc. (Ticker Symbol “FPS” on the Toronto Stock Exchange), jointly announced today that they have entered into a Memorandum of Understanding (“MOU”) concerning certain services to be provided in connection with Laidlaw’s Berlin New Hampshire biomass-energy project and Fraser’s Gorham, New Hampshire paper mill.

The purpose of the MOU is to define certain services that the companies intend to provide to each other subsequent to the anticipated construction and commencement of operations of Laidlaw’s facility. A key element of the MOU is Laidlaw’s agreement to recover additional heat from its biomass plant that would otherwise be lost and use it to provide hot water to Fraser for use in its paper manufacturing plant located nearby. The heat recovery and delivery system to be jointly engineered by Laidlaw and Fraser will use available piping and an existing 2.5 mile long pipeline. It is expected to result in savings for Fraser which currently operates 3 oil-fired boilers to provide heat for process water and steam at its Gorham mill. Energy savings realized by Fraser will be shared with Laidlaw, which has agreed to incorporate the costs of the heat recovery system into the capital budget for its project. These shared savings will result in additional revenue for Laidlaw’s project. Final terms and conditions, including the amount of heat to be recovered by Laidlaw and the savings to be realized and shared by Fraser are still to be determined.

Commenting on the MOU, Laidlaw President & CEO Michael B. Bartoszek stated “We are very pleased to have reached such an arrangement with Fraser. It just makes so much sense. The infrastructure is already there and by incorporating this element into our project and making it a combined heat and power project it will greatly increase the overall efficiency of the plant. It’s a clear win-win situation, not only for our two companies, but also for the community and other stakeholders involved with both operations.”

The MOU also provides for a number of other shared services between the parties. Specifically, Laidlaw is expected to continue to lease the fresh water treatment plant on its site to Fraser and Fraser is expected to continue to operate the plant and also supply water to Laidlaw’s project. Fraser and Laidlaw have also agreed to the sale of a parcel of land owned by Fraser to Laidlaw, which will help facilitate the project’s connection to Public Service of New Hampshire’s East Street substation.

Bill Manzer, Sr. Vice President of Fraser Papers commented “Given the energy intensive nature of our manufacturing process, efficiency and conservation is a strategic focus and our Gorham paper mill is no exception. Energy costs at Gorham represent 20% of the cost structure. We are hopeful that this project can play a role in improving our competitive position within the industry, as well as reduce our greenhouse gas emissions through lesser reliance on the three oil-fired boilers.”

Laidlaw is expected to close on the acquisition of the Berlin boiler and property comprising the former Fraser Paper pulp mill site within the next few weeks.

#### About the Berlin, NH Biomass-Energy Project

The Berlin project involves the conversion of the former Fraser Paper pulp mill site into a highly advanced biomass-to-energy project that is expected to export approximately 60 megawatts of renewable energy to the New England power grid and utilize over 750,000 tons of clean wood biomass chips per annum. The project involves a capital investment of approximately \$65 million by Laidlaw and its partners and lenders and is expected to employ 40 directly and create over 500 indirect jobs. Once completed, the plant is expected to be among the largest and most environmentally advanced biomass-energy plants in North America.

#### About Laidlaw Energy Group

Laidlaw Energy Group (LLEG) is engaged in the development of independent power plants that generate electricity from renewable resources. LLEG's mission is to build and manage a profitable portfolio of renewable energy facilities through the development of new facilities and acquisition of existing facilities. LLEG is headquartered in New York, New York. For more information on LLEG, please visit our website at [www.NYENRG.com](http://www.NYENRG.com).

#### About Fraser Papers, Inc.

Fraser Papers is an integrated specialty paper company, which produces a broad range of specialty packaging and printing papers. Based in Toronto, Ontario Canada, Fraser operates 11 paper machines at operations in New Brunswick, Maine and New Hampshire in addition to a market hardwood kraft pulp mill in Quebec and 4 sawmill operations in New Brunswick and Maine. For further information, please visit our web site at [www.fraserpapers.com](http://www.fraserpapers.com).

This communication contains statements expressing expectations of future events and/or results which may include, without limitation, statements concerning anticipated financial performance, business prospects, technological developments, potential markets, new products, research and development activities and similar matters. Such statements constitute forward-looking statements made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995. All statements based on future expectations rather than historical facts are forward-looking statements that involve a number of risks and uncertainties, and LLEG cannot provide assurance that such statements will prove to be correct. LLEG undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Laidlaw Energy Contact:  
Michael B. Bartoszek  
President & CEO  
Laidlaw Energy Group, Inc.  
Tel. 212-480-9884  
Email: [info@LaidlawEnergy.com](mailto:info@LaidlawEnergy.com)

Fraser Papers Contact:  
William Manzer  
Sr. Vice President – Operations  
Fraser Papers, Inc.  
Tel. 207-523-2364  
Email: [manzerb@fraserpapers.com](mailto:manzerb@fraserpapers.com)