

FUTURE OF CARROT RIVER AND HUDSON BAY MILLS LOOKS BRIGHT WITH THE SIGNING OF A PURCHASE AGREEMENT

C&C Wood Products, headquartered in Quesnel, British Columbia, has signed an asset purchase agreement with Weyerhaeuser that would see the company acquire and reopen the Carrot River Sawmill and Hudson Bay Plywood Mill.

The Ministries of Energy and Resources and Environment are working with C&C Wood Products Ltd. and Weyerhaeuser to assign the Pasquia-Porcupine Forest Management Agreement (FMA) in east central Saskatchewan to the two companies. The FMA, currently managed solely by Weyerhaeuser, is expected to become jointly held later this summer.

The new assignment of the FMA is expected to pave the way for the reopening of the two facilities. Should the purchase of mill assets not proceed, management of the FMA will remain with Weyerhaeuser. "C&C Wood Products has expressed great confidence in Saskatchewan's forest resource and this agreement is a demonstration of that confidence," Energy and Resources Minister Bill Boyd said. "The future of our forest industry lies in developing more value-added wood products for global markets, and C&C has an excellent reputation for its value-added operations."

Boyd said the government will work to ensure that a quality wood supply is made available to the two mills. The government will also work with the two companies to assure transportation infrastructure and establish a roads and transportation agreement.

C&C Wood Products Ltd. is a 32-year-old company that specializes in the manufacture of wood panelling, specialty board products and wood pellets for domestic and offshore markets. It has customers throughout North America, Europe and Asia and generally uses smaller timber than other companies in the forest industry.

"We're very excited about the potential that exists in the province of Saskatchewan," C&C Wood Products Vice-President of Sales and Marketing Kris Hayman said. "We feel that working together with Weyerhaeuser and the provincial government, we can successfully bring a value-added approach to the wood products industry."

The Carrot River Sawmill and Hudson Bay Plywood Mill have been idle since January 2007. Weyerhaeuser continues to own the OSB mill in Hudson Bay. Final due diligence on C&C's purchase is expected to be complete within the next two months and assignment of the FMA will occur at that time.

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