

CATALYST KEY FACTS

Catalyst Paper produces a broad range of communication papers for commercial printing, retail advertising and direct marketing applications. With mills strategically located to serve North American and Pacific Rim markets, prudent fiscal management, and ongoing social and environmental performance and transparency, Catalyst is well regarded as a competitive and customer-focused operator.

Corporate Overview

- » We manufacture diverse specialty printing papers, newsprint and pulp for retailers, publishers and commercial printers
- » We have an annual production capacity of 1.9 million tonnes
- » We are:
 - » The largest producer of mechanical printing paper in western North America, and the fourth largest on the continent
 - » The only western North American producer of coated mechanical paper and soft calender paper
 - » Among the largest producers of directory paper in the world
- » We offer extensive recycled production at our Snowflake, AZ mill, and our Sage line of environmentally friendly specialty papers made at our BC mills
- » We are headquartered in Richmond, BC, Canada and our common shares trade on the TSX (CTL)
- » We respond to both the Carbon Disclosure Project and the Forest Footprint Disclosure Project and are included in the Jantzi Social Index®
- » All of our mills are Forest Stewardship Council (FSC) chain-of-custody certified. Also, our BC mills are certified to the PEFC chain-of-custody standard.

Manufacturing Facilities

| (no. of the machines) | Specialty Printing Papers | Newsprint | Market Pulp ¹ |
|--------------------------------|---------------------------|-----------|--------------------------|
| Crofton, BC (3) | 145,000 | 291,000 | 310,000 |
| Port Alberni, BC (2) | 338,000 | - | - |
| Powell River, BC (3) | 449,000 | 30,000 | - |
| Snowflake, AZ (2) ² | 48,000 | 289,000 | - |

¹ Total pulp capacity at Crofton is 370,000 tonnes, of which 310,000 tonnes are designated as market pulp with the remainder of 60,000 tonnes being consumed internally.

² 100% recycled production

| Production Capacity | | Sales by Segment (% 2010 sales \$) | | Sales by Market (% tonnes 2010) | |
|---------------------------|-----------|------------------------------------|-----|---------------------------------|-----|
| Specialty Printing Papers | 52% | Specialty Printing Papers | 57% | United States | 56% |
| Newsprint | 32% | Newsprint | 25% | Canada | 12% |
| Market Pulp | 16% | Market Pulp | 18% | Latin America | 9% |
| Total Tonnes | 1,900,000 | | | Asia & Australasia | 22% |
| | | | | Europe & Other | 1% |

For more information, visit catalystpaper.com

Performance Highlights

| Social | Q3 2011 | Q2 2011 | Q1 2011 |
|--|----------------|----------------|----------------|
| Lost time injuries/ 200,000 hours worked; Target = 1.57 | 0.71 | 1.38 | 3.29 |
| Medical incidents/ 200,000 hours worked; Target = 3.20 (includes both lost time and less serious incidents) | 3.79 | 4.37 | 5.65 |

| Financial (\$MM, except EPS and exchange) | Q3 2011 | Q2 2011 | Q1 2011 |
|--|----------------|----------------|----------------|
| Sales | \$340.3 | \$297.8 | \$303.6 |
| Net earnings (loss) attributable to company | (205.7) | (47.4) | (12.9) |
| - before specific items | (14.1) | (46.9) | (23.6) |
| EBITDA | 26.8 | (3.9) | 15.9 |
| - before specific items | 26.8 | (3.9) | 15.9 |
| Free Cash Flow | 1.4 | (28.3) | (5.5) |
| Total Liquidity | 125.9 | 136.4 | 167.4 |
| Capital Spending | 5.6 | 5.6 | 2.3 |
| Net earnings (loss) per share attributable to the company's common shareholders - basic and diluted (in dollars) | (0.54) | (0.13) | (0.03) |
| US\$/CDN\$ Exchange, average spot rate | 1.020 | 1.033 | 1.015 |

| Commercial (000 tonnes) | Q3 2011 | Q2 2011 | Q1 2011 |
|-----------------------------------|--------------------|----------------|----------------|
| Total Sales | 439.8 | 393.0 | 399.4 |
| Production & Capacity Utilization | | | |
| | Production | | |
| Specialties | 230.0 | 200.9 | 214.3 |
| Newsprint | 111.6 | 111.7 | 124.8 |
| Pulp | 86.7 | 83.5 | 71.3 |
| | Curtailment | | |
| Specialties | - | - | - |
| Newsprint | 39.8 | 36.3 | 34.5 |
| Pulp | - | - | - |

| Environmental | Q3 2011 | Q2 2011 | Q1 2011 |
|--|----------------|----------------|----------------|
| Greenhouse Gases (kg CO ₂ e/t) ¹ | 610 | 540 | 550 |

¹ GHG intensity measures are based on production totals including internally produced and consumed pulp and product not meeting quality requirements for sale. Q1 2011 value has been corrected to adjust for an over-statement of landfill emissions.

All figures in Canadian dollars.