

News Release

For Immediate Release
May 25, 2018

Catalyst Paper enters into Agreement to sell U.S. mills

Richmond, BC – Catalyst Paper (“Catalyst”) announced today that it has entered into a Sales and Purchase Agreement with ND Paper LLC, a wholly owned subsidiary of Nine Dragons Paper (Holdings) Ltd. (“ND Paper”), a Hong Kong Stock Exchange listed company, for the sale of Catalyst’s U.S. operations to ND Paper for US\$175 million.

Upon the closing of this transaction, ND Paper will acquire Catalyst’s Rumford, Maine and Biron, Wisconsin mills along with the associated staff at the company’s U.S. operations center in Dayton, Ohio. Catalyst has agreed to provide transition support services to ND Paper to assist with the development of certain operational and administrative functions required for the two U.S. mills.

“We’re proud of what our employees have accomplished at our Biron and Rumford mills and our Dayton operations center. Their hard work and dedication have vastly improved these operations,” said Ned Dwyer, Catalyst President and CEO.

“This transaction allows Catalyst to re-pay a significant portion of our debt and focus on our British Columbia operations,” said Dwyer.

“We continue to pursue opportunities to improve the competitiveness of our company and our industry,” said Dwyer. “We also continue to work with the provincial and federal governments in our defence against the unwarranted imposition of U.S. countervailing and anti-dumping duties.”

The transaction is expected to close by the end of the second quarter upon the favorable vote of Catalyst’s shareholders, with a meeting of shareholders scheduled for June 11, 2018.

Pursuant to a Lock-Up Agreement, the three major shareholders of the Company, aggregating approximately 87% of the outstanding shares, have agreed to vote in favor of the transaction at the meeting.

About Catalyst Paper

Catalyst Paper manufactures diverse papers such as coated freesheet, coated one side (C1S), flexible and industrial packaging, coated and uncoated groundwood, newsprint, directory, as well as market pulp. Customers include retailers, publishers and commercial printers in North America, Latin America, the Pacific Rim and Europe. Catalyst is headquartered in Richmond, British Columbia, Canada, and has been ranked by Corporate Knights magazine for the 10th consecutive year as one of the 50 Best Corporate Citizens in Canada.

For more information

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