

Press release

Norske Skog will increase the capacity of wood pellets in New Zealand

The Norske Skog group has decided to invest about AUD 7 million to upgrade the Nature's Flame wood pellets facility in New Zealand to more than double its annual production capacity to 85,000 tonnes. The increased production capacity will be commissioned in the fourth quarter of 2019. The approval of the 85,000 tonne capacity upgrade is also a building block for potential further expansion of Norske Skog's pellet operations in New Zealand.

Mr. Eric Luck, Regional President Norske Skog Australasia, comments: *"The investment supports Norske Skog Australasia's ongoing strategy to "Build Our Future from Fibre and Energy". The additional production capacity is aimed at producing premium industrial grade pellet fuels for both the domestic New Zealand commercial and industrial market, as well as for the rapidly growing Japanese and Korean green energy generation markets."*

Nature's Flame's state of the art plant at Taupo was acquired by Norske Skog in 2015, and is well positioned in the centre of the north island where the bulk of New Zealand's forest based industry is located. Wood pellets produced by Nature's Flame are a premium heating fuel made from wood residues from nearby timber processing facilities.

The materials used are originally sourced from sustainably managed, FSC certified softwood plantations in New Zealand. The wood pellets carry the internationally recognised DINplus certification as well as recognition from BioGro New Zealand Ltd that the pellets, as well as the ash remaining after combustion, are Certified Organic materials. The wood pellet fuel produced is truly renewable and is a lower carbon alternative to replace fossil based energy sources like coal and gas.

Norske Skog Communications and Public Affairs

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