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**FOR IMMEDIATE RELEASE**

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**Blue Wolf Capital Management and Atlas Holdings LLC, through Northern Pulp Nova Scotia Corporation, to Acquire Pulp Mill in Pictou, Nova Scotia**

*Investment Includes Fiber Supply Agreement*

**New York, NY, May 15, 2008** – Atlas Holdings LLC (“Atlas”) and Blue Wolf Capital Management (“Blue Wolf”) today announced that, through affiliates, they have signed a binding agreement to acquire Neenah Paper, Inc.’s (NYSE: NP) Pictou, Nova Scotia pulp mill, together with its associated timberlands business. The new company will be owned by Atlas, Blue Wolf and management of the mill, and will operate as Northern Pulp Nova Scotia Corporation (“Northern Pulp”). Neenah Paper will retain ownership of its 500,000 acres of timberlands in Nova Scotia. The transaction is expected to close in the second quarter.

The Pictou mill manufactures high-quality pulp with excellent tensile strength used in tissue, printing and writing papers. Northern Pulp will acquire the business for a nominal amount, and will assume assets and liabilities associated with the mill’s operations and timber business, as well as existing customer contracts, supply agreements, labor agreements and pension obligations. Neenah will pay approximately \$15 - \$20 million to the new company to assist its transition to stand-alone status. Payments will be made in two installments, the first at the time of closing and the second in the third quarter. Final amounts will be subject to adjustments based on working capital, capital spending levels, and reimbursement to Neenah for major maintenance at the Mill completed in May, 2008. In addition, Northern Pulp and Neenah Paper have agreed upon a market based fiber supply agreement to ensure ongoing fiber supply to the mill.

The transaction will enable the continuation of operations at the mill, which has been a critical component of the northern Nova Scotia economy since its founding in 1967. The Canadian pulp industry has been adversely affected by a severe downturn in the lumber industry.

The existing management team will remain in place and will be equity owners in the new business. Northern Pulp will be led by Nova Scotia native Keith L. Johnson, who will continue in his current position as General Manager.

“The Pictou mill is well-maintained, is in a prime location relative to both the Nova Scotia wood basket and to its customers in the U.S. and Europe, and has strong customer relationships,” said Adam Blumenthal, Managing Partner of Blue Wolf. “These attributes will create a strong foundation on which



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to build an independent, competitive company that can ride out the current cycle and thrive as the market rebounds. As with all of our investments, we expect to work closely with management and labor to improve productivity during this challenging time.”

Timothy Fazio, Managing Partner of Atlas, said, “While the pulp industry is currently in a ‘perfect storm’ caused by skyrocketing wood chip costs, a strong Canadian dollar and high energy costs, we believe that Northern Pulp is a viable business. We have years of experience with complicated issues in commodity industries, and we are confident that our experience, along with that of senior management and the people who work here, will allow us to continue to operate this mill as a strong player in the global marketplace.”

The mill has an annual capacity of approximately 270,000 metric tons/300,000 tons of pulp. In 2007, approximately 90 percent of the mill’s production was northern bleached softwood kraft pulp.

This is the second investment in the industry for Blue Wolf and Atlas. Last year the investors purchased a pulp and paper mill in northern New York State that today is known as Finch Paper Holdings.

Davies Ward Phillips & Vineberg LLP acted as lead counsel for Atlas and Blue Wolf.

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**Atlas Holdings LLC** operates businesses in a number of industrial sectors, including the paper, packaging, wood products and steel industries. Atlas operates four paper mills and nine packaging plants throughout North America. Overall, Atlas operates facilities in more than 30 locations throughout North America and Europe. Atlas’ affiliated companies employ approximately 3,000 people. For additional information, please visit [www.atlasholdingsllc.com](http://www.atlasholdingsllc.com).

**Blue Wolf Capital Management LLC** is a private equity firm that invests in companies in which effective management of relationships with complex constituencies, such as government and labor, can change organizations and create value. For additional information, please visit [www.blue-wolf.com](http://www.blue-wolf.com).