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September 1, 2009

To All Employees:

As part of the Florida Department of Environmental Protection's (FDEP) June 1, 2009, Letter Order issued to Georgia-Pacific, our mill is conducting additional analyses of our operations to understand the effectiveness of the major investments made at Palatka to make environmental improvements. As always, we are committed to our facility, our community and to environmental stewardship. The June 1<sup>st</sup> Letter Order halted our facility's interim compliance date for improving our effluent relocation to the St. Johns River via pipeline that was outlined in FDEP's 2002 Administrative Order. This follows our \$200 million in environmental upgrades that resulted in improved effluent quality. Our mill has made significant progress toward meeting the compliance requirements outlined in the Letter Order including today's release of sediment sampling for dioxin in our wastewater treatment ponds.

Lab results from the sediment sampling event indicated a total of only three (3) grams of dioxin in the system's more than 60 million kilograms of solids (about 1/10 an ounce of dioxin in more than 140,000,000 pounds of dry solids). The solids sampled cover our mill's more than 900 acres of secondary wastewater treatment ponds that biologically treat our effluent for improved water quality.

What does this all mean? At this point, it is not clear if the minimal amounts of dioxin found in the sediments enter our effluent stream at all although the potential does exist. In fact, recent studies conducted by the University of Florida indicate that dioxin levels found in fish tissue from Rice Creek are similar to levels found elsewhere in the St. Johns River both up and downstream, in areas well outside any potential influence from our facility. Dioxin found in these other areas is not a surprise as dioxins are formed from many events including forest fires and rain run off from pavements. The levels found are well below any consumption advisory thresholds for any state in the United States as outlined in studies completed by the U.S. Department of Health and Human Services. Laboratory analysis for effluent sampling continues to report no detectable dioxin in our effluent.

With that said, Georgia-Pacific's commitment to environmental stewardship has not wavered. We will be conducting a full engineering analysis of our wastewater treatment system to ensure we are optimizing our systems for continued improved effluent quality. We will use the additional work we are undertaking, which is actually more extensive than the requirements of the Letter Order, to help us understand what additional actions should be taken. The timeline for completing all of the work described in the Letter Order is July 15, 2010, and we are working diligently to ensure we finish ahead of schedule. Once the work is complete, we will be well on our way to defining the potential to further improve the environment and community we live and work in.

If you have any questions regarding the mill's environmental improvement efforts including plans for pipeline construction, visit our web site at [www.CleanerStJohns.com](http://www.CleanerStJohns.com). The site is loaded with great information about the tremendous improvements we have made and is a great location for you to share with your friends, family and neighbors interested in learning more about our facility's environmental progress.

Also, I will be discussing the recent sampling event in more detail at the mill's Town Hall meetings on Wednesday and Thursday and encourage those who have questions to attend.

Thanks for all you do and your continued commitment to work safely.

A handwritten signature in blue ink, appearing to be 'Gary L. Frost', written in a cursive style.