



Gary L. Frost  
Vice President  
Palatka Pulp and Paper Operations  
P.O. Box 919  
Palatka, FL 32178-0919

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### **Final Reports Submitted to Florida Department of Environmental Protection**

Georgia-Pacific today submitted the final reports meeting the requirements outlined in the Florida Department of Environmental Protection's June 1, 2009, letter, which supplemented the agency's 2002 Administrative Order. During the past 12 months, Georgia-Pacific has worked with the Florida Department of Environmental Protection and a mutually agreed upon third party consultant to evaluate potential technologies and processes that could improve effluent quality from the Palatka mill. As a result of the study and pending final regulatory confirmation, the mill plans to move forward with several process changes that will enhance the mill's highly treated effluent.

The total investment package of more than \$30 million includes plans for process modifications that will further improve effluent quality and its entry point to the St. Johns River. The investment follows the company's more than \$200 million in environmental upgrades spent at Palatka to install state-of-the-art pulp washing and bleaching technologies during the last 10 years and demonstrates its commitment to continue operating Palatka as an integrated pulp mill while satisfying the mill's 2002 Administrative Order and achieving water quality compliance.

Our more than 1,000 employees are extremely pleased about the potential to invest in the manufacturing site here in Putnam County. These investments will further enhance northeast Florida's environment and economy while positioning our facility competitively during challenging economic conditions. I am excited about our ability to continue leveraging the tremendous team at Palatka to meet our Kraft and tissue customers' demands by providing quality products and outstanding customer service.

The first portion of the potential investment package, a clarifier solids press, is slated to come online within the next two months. The press would be installed while the facility evaluates additional press options for optimal performance and environmental benefit. The press will mechanically remove solids from the process, which will make them available for other uses, including a possible future energy source, while reducing color generated in the treatment system.

During the past year, the mill has run trials on alternative water supply treatments that remove natural organics and color. While details of the trials are proprietary, full scale implementation is targeted for later this year.

"When coupled with the technologies that will improve the quality of our effluent, our potential investment solidifies our continuous environmental improvement efforts while revitalizing our economic impact to our community, our employees, our service providers and our core customers," said Jeremy Alexander, public affairs manager. "We have called Putnam County and northeast Florida home for more than 60 years – and this would position us well for the future."

We will continue to work closely with FDEP during the next few weeks to ensure all expectations are being met. As soon as additional information is available, we will share with all our co-workers.

Thanks for all you do and your continued commitment to an injury-free Palatka,

A handwritten signature in black ink, appearing to read 'Gary L. Frost', with a long horizontal stroke extending to the right.

Gary