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Granholtm: Alternative Energy Partnership to Fuel Further Growth in Michigan's Bio-Economy

Michigan would be site for U.S. launch of new biofuel production process

STOCKHOLM, Sweden – Governor Jennifer M. Granholm today announced Swedish-based Chemrec AB and Ohio-based NewPage Corporation have formed a partnership to explore possible development of a plant that would produce renewable biomass-based fuels at the NewPage paper mill in Escanaba.

Granholtm made the announcement in Sweden following a reception with company and government leaders to celebrate the signing of a Memorandum of Understanding between the two companies. The governor and Michigan Economic Development Corporation President and CEO James C. Epolito are on the third day of an investment mission to Sweden and Germany.

“This partnership between Chemrec and New Page is a great opportunity for us as we work to make Michigan the North American hub for alternative energy production,” Granholm said. “With its potential for biomass-based fuel production, this plant in Escanaba could put Michigan at the forefront of renewable next-generation fuels helping end our dependence on foreign oil, while bringing jobs and investments to the community.”

The plant would be employ Chemrec’s black liquor gasification (BLG) technology which converts waste from the paper pulping process into synthesis gas. The synthesis gas can then be processed into a variety of biofuels. It is estimated the technology could enable the Escanaba mill to produce up to 13 million gallons of liquid biofuel per year.

“We continuously search for ways to improve operations while at the same time improving our efficient use of renewable resources such as wood and wood waste,” NewPage Corporation Chairman and CEO Mark A. Suwyn said. “Liquid biofuel production using the BLG technology holds promise to improve efficiencies at our mills as well as becoming a source of valuable fuels and chemicals extracted from renewable sources. We are excited to be a part of this feasibility project in conjunction with our mill in Escanaba, Michigan.”

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The plant would be closely integrated with the paper mill to optimize energy efficiency and enhance the pulp production capacity of the mill. Several European and U.S. studies have shown the BLG technology to provide a highly efficient and environmentally sound route for converting biomass to liquid biofuels. The technology does not require high-grade wood or woodchips.

“We are very pleased to cooperate with NewPage and with the state of Michigan through MEDC to introduce our technology in the U.S.,” Chemrec CEO Jonas Rudberg said. “The results-oriented approach of both NewPage and MEDC has enabled us to establish this cooperation in a very short time. We are convinced that the results of the study will be positive and that Escanaba can be the first site for this technology in North America.”

The addition of Chemrec’s BLG technology to NewPage’s Escanaba mill is expected to create new on and off-site job opportunities. New jobs would be created at the NewPage facility for both biofuel production and for the enhanced pulping capacity. Additional jobs would include logging operations, transportation and maintenance jobs and construction jobs during the development of the plant.

“As a native of Michigan I am especially excited about this partnership,” U.S. Ambassador to Sweden Michael Wood said. “There will be immediate benefits to Michigan and Sweden, of course, but more than that, this technology holds real promise as a part of the solution to the global warming problem. This technology converts a waste product from the pulp process into syngas that can be used in liquid motor fuels. I’ve made alternative energy cooperation between the U.S. and Sweden the centerpiece of my tenure as Ambassador. This is another great example of how our countries can work together, and I hope it will also create jobs in my home state.

Earlier this year, the MEDC and NextEnergy, Michigan’s alternative energy accelerator located in Detroit, established a cellulosic biofuels working group to help craft strategy for the promotion of this industry in Michigan. Dr. Kris Berglund of Michigan State University and Kevin Korpi, executive director, Michigan Forest Products Council, were key contributors to the group.

“Michigan's economic strategy to establish and advance hi-tech industries within the state is producing results that could have significant national impact,” Epolito said. “NewPage and Chemrec, along with other innovative companies like Mascoma, are accelerating the development of sustainable alternative energy production, while paving the way for new jobs within our agriculture, timber, and manufacturing industries.”

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Granholm also met today with executives from SECO Tools and Atlas Copco AB to encourage them to expand their companies' existing operations in Michigan. On Thursday and Friday, Granholm and her delegation will be in Germany to meet with officials of companies with operations in Michigan or considering locating in the U.S., including Behr-Hella Thermocontrol, EDAG Engineering, Maschinenfabrik Spaichingen, ersol Solar Energy AG, Brose and ZF Lemforder.

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