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**Washington Economic Development Finance Authority Offers Bonds to Finance Columbia Pulp, North America's First Tree-Free Market Pulp Mill**  
***New pulp mill will use waste straw for manufacture of sustainable products***

Dayton, WA -- Columbia Pulp I, LLC announced today that it has completed the debt and equity funding required to commence construction of its new manufacturing facility. The Washington Economic Development Finance Authority has completed its offering of \$133,600,000 in tax exempt bonds to finance an innovative, sustainable pulp mill that will be the first in North America to produce market pulp for papermaking without using trees. These bonds were offered by Goldman, Sachs & Co. LLC, of New York.

Columbia Pulp also announced that Columbia Ventures Corporation (CVC) (previously unrelated) is the lead investor in the \$36 million equity financing that closes simultaneously with the bond offering. CVC, a private equity family office in Vancouver, Washington, has previously invested in the international aluminum manufacturing sector as well as the global telecommunications industry, including a small telecom company headquartered in Walla Walla, Washington.

"We are excited to support and participate in the vision of our founders Mark Lewis and Dr. William McKean and the original investors that John Begley, Columbia Pulp CEO, put together over the last four years. Columbia Pulp will provide family wage jobs in a rural part of our state while manufacturing an innovative product using surplus resources in an environmentally sensitive process," said Kenneth D. Peterson, Jr., CEO of CVC.

The proceeds of the bonds and new equity will be used to fund the construction and operation of a \$184 million mill that converts wheat straw and seed alfalfa straw into pulp utilizing a proprietary process developed by Sustainable Fibers Technology, LLC (SFT). The pulp can be used in the manufacture of sustainable, tree-free paper and packaging products. The facility will be located on a 449-acre site near the Lyons Ferry Bridge in Columbia County, Washington and is expected to produce 149,000 tons per year of market pulp and 95,000 tons per year of a carbohydrate-lignin co-product.

"We have assembled a talented team that has spent their careers in pulp and paper production and financial management," said John Begley. "The SFT proprietary pulping process is the first in North America that produces market pulp equal to the quality of hardwood pulp, while requiring less capital investment and utilizing less energy, water and chemicals compared to traditional pulping methods."

The Columbia Pulp facility is designed to capture straw that was often viewed as a waste product by wheat and alfalfa farmers within 75 miles of the site, and convert the waste straw into pulp. According to the Washington Department of Ecology, the burning of agricultural waste straw adds approximately 45,000 tons of ash, particulates, carbon monoxide and carbon dioxide into the atmosphere each year.

"By capturing straw that is often burned as waste and using it in the manufacture of tree-free products, Columbia Pulp is bringing sustainable industry to rural Washington while reducing greenhouse gas emissions and the demand for trees in pulp production," said Begley.

Columbia Pulp anticipates that the mill will begin construction in August 2017 and will be completed in late 2018.

“Columbia Pulp would like to thank WEDFA, its Board of Directors and the community leaders of Columbia County for their support in preparing this project for financing. We are excited to make our home in Columbia County and bring much needed economic development to this part of our State,” added Begley.

**About Columbia Pulp**

Columbia Pulp is located in Dayton, Washington. The company is building a state-of-the-art pulp mill that converts wheat straw and seed alfalfa straw into pulp that can be used in the manufacture of sustainable, tree-free paper and packaging products. To learn more about the company and facility, please visit [www.columbiapulp.net](http://www.columbiapulp.net).