



Verso Paper Corp. Strategic Energy Review

Presented by Glenn Poole
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Verso simple.™



Verso Paper Foundation

CORE VALUES

People
Customers
Manufacturing Efficiency
Citizenship and Stewardship
Financial Responsibility
Ethics and Integrity

MISSION

We create value for our stakeholders by providing business solutions and developing innovative products and services that exceed expectations.

VISION

A company with passion that is respected and trusted by all...

3000 as One!

PRINCIPLES

- Safe from the start.
- Accountability, truth and transparency.
- Engaged and enthusiastic people.
- Initiative and resourcefulness.
- Anticipate change.
- Understand customer needs.
- Use teamwork to deliver superior results.
- Do the right things for the company as a whole.
- Respect a sustainable balance between economic, social and environmental needs.
- Act with speed, simplicity and decisiveness.

STRATEGIES

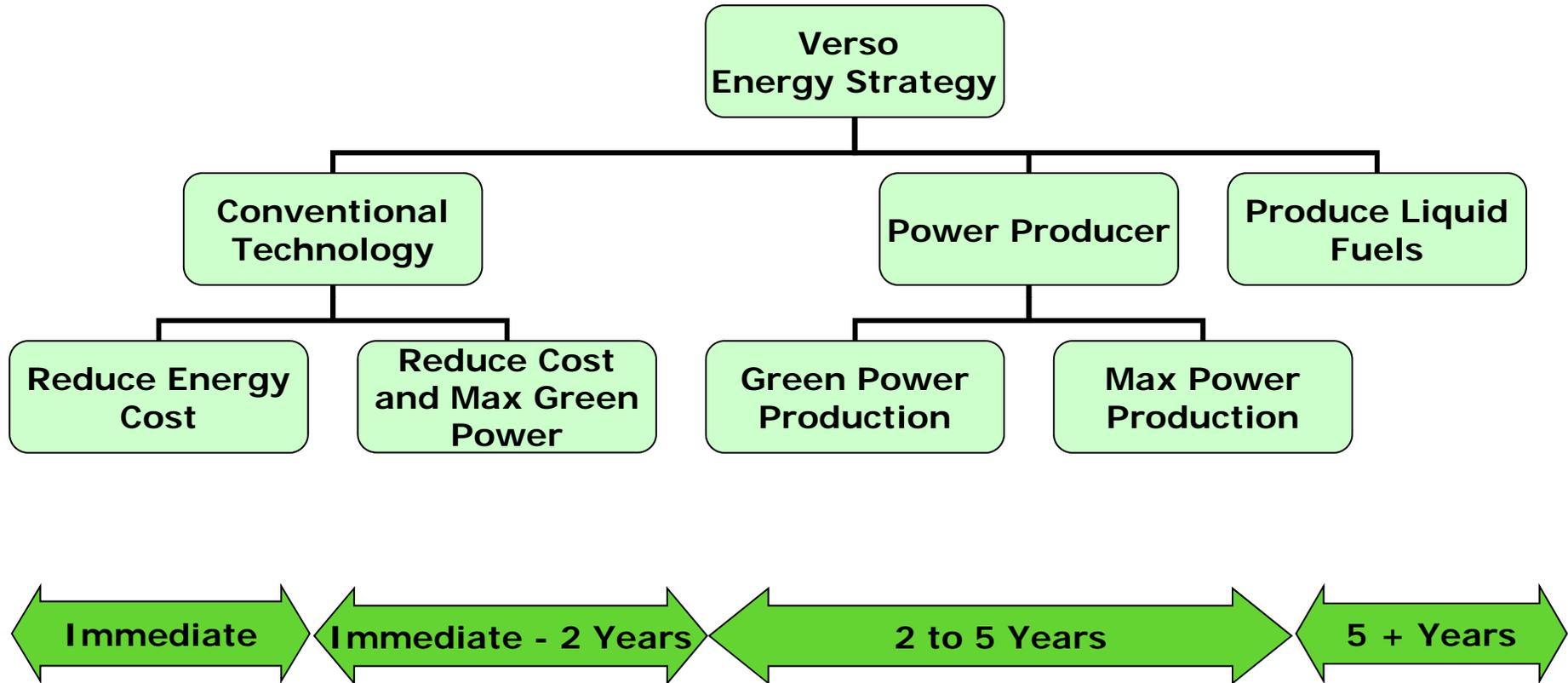
- Utilize our integrated business management process to optimize performance.
- Enhance our core business by improving margins and channel management.
- **Develop new revenue streams outside of core coated paper markets to mitigate coated paper demand and price volatility.**
- Gain manufacturing superiority by benchmarking and reducing operating gaps.
- Enhance cash flow by operating our business platforms to balance our stakeholders' needs.
- Improve our organizational capability.

KEY PERFORMANCE MEASURES

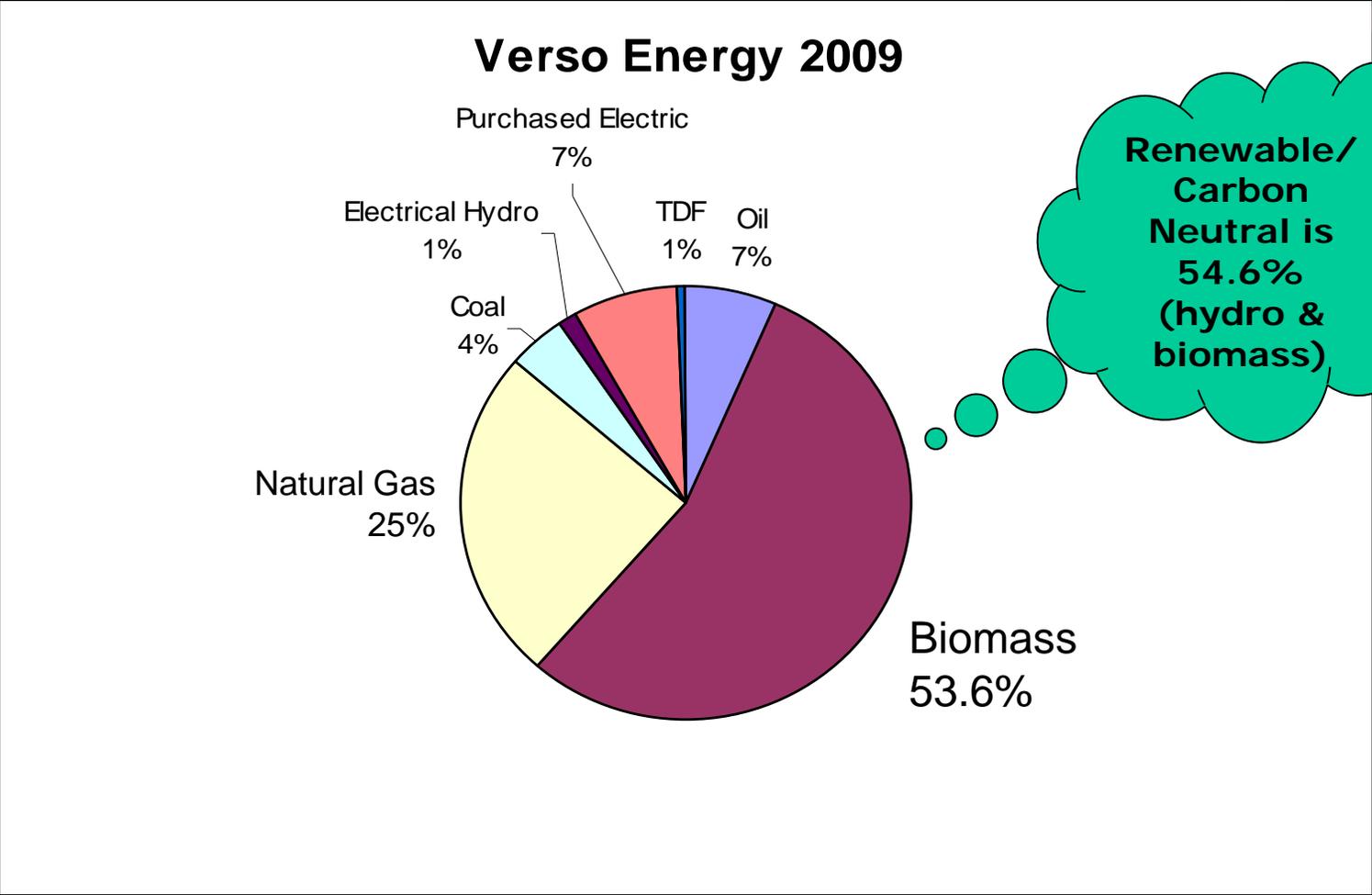
- TIR/LWIR
- EBITDA
- Margin improvement
- Working capital improvement
- OME
- Managed capital spend
- Purchase price variance
- CFS, CGW and SC market share
- New product revenue and margins
- Export volume
- Subtotal Ops variance to budget
- Demand forecast accuracy
- Supply forecast accuracy

- **Develop new revenue streams outside of core coated paper markets to mitigate coated paper demand and price volatility.**

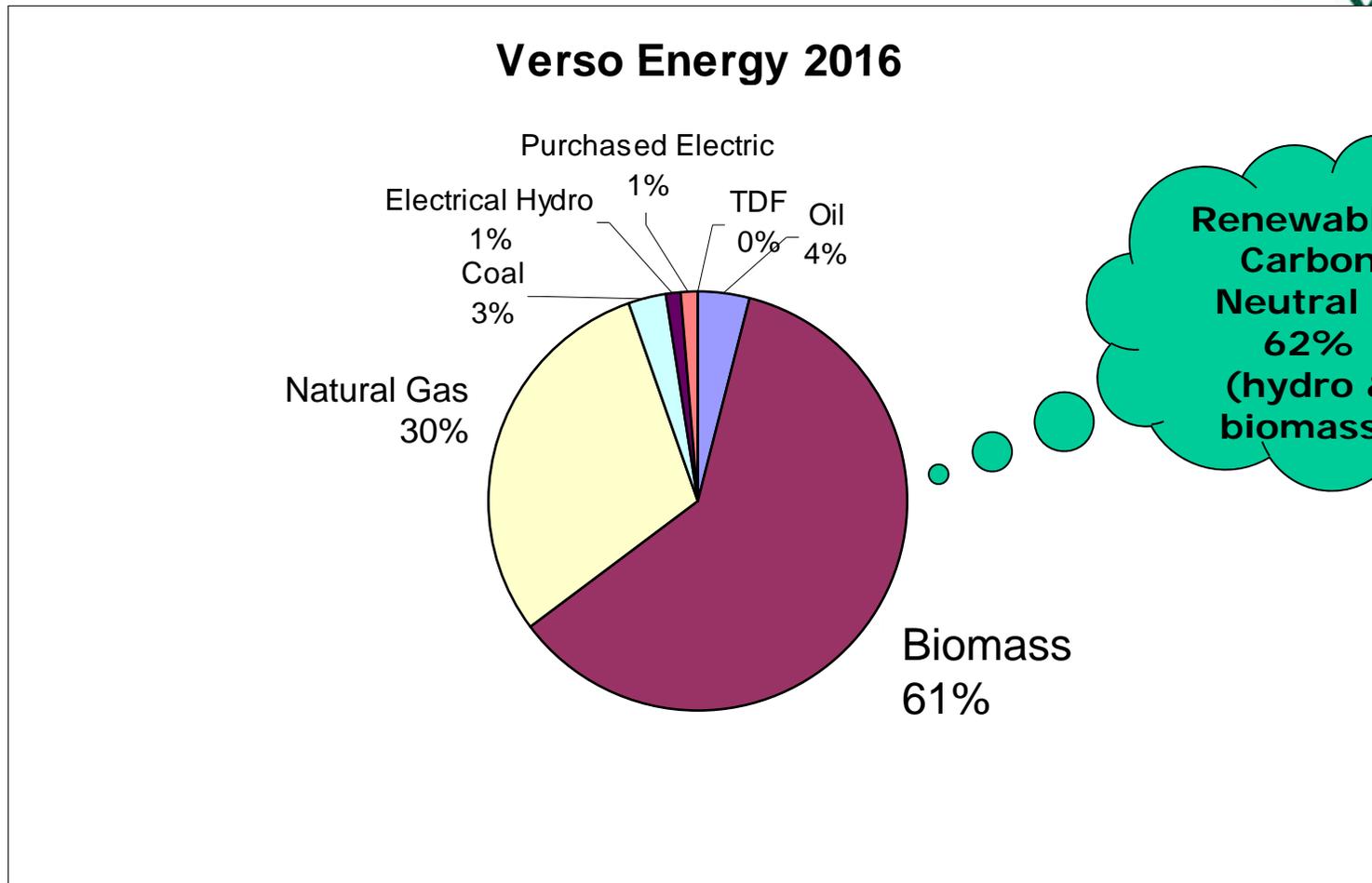
Strategic Energy Initiative



BEFORE Strategic Energy Initiatives



AFTER Strategic Energy Initiatives

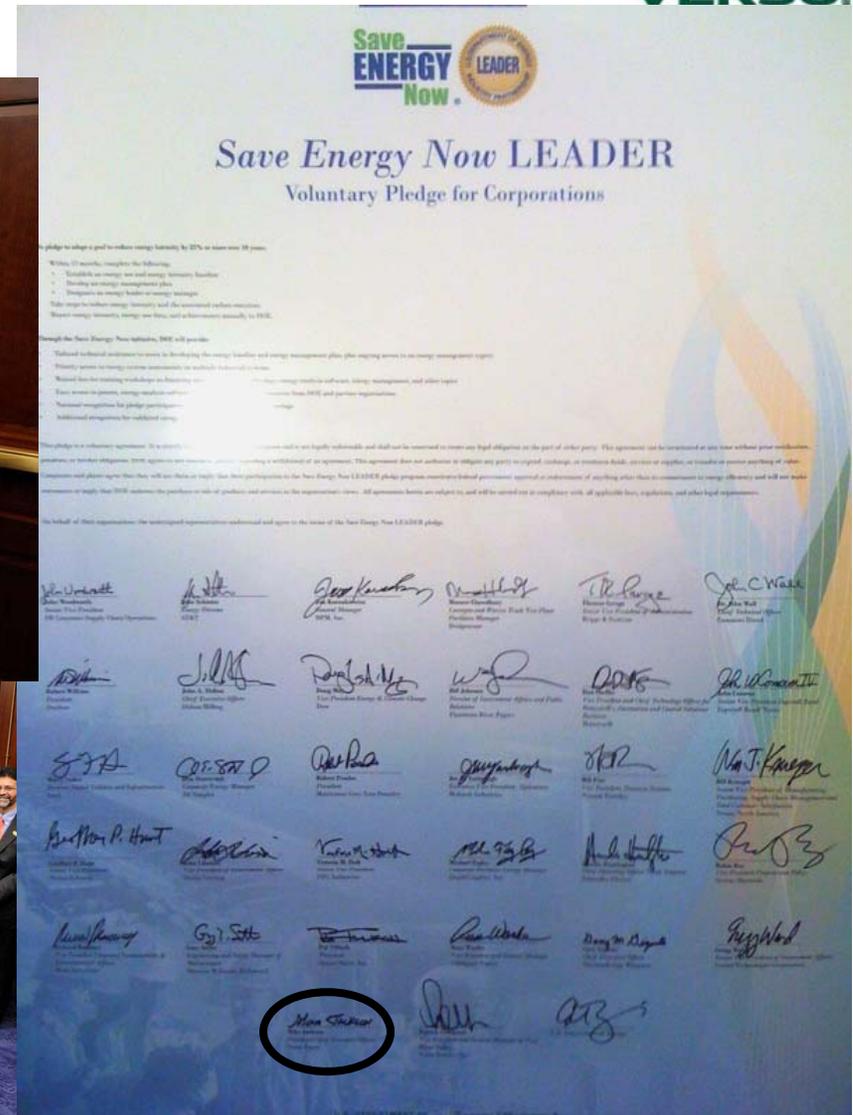


Verso's Energy Philosophy



- **The best way to reduce carbon foot print is to reduce Energy Intensity**
- Leverage the efficiency of combined heat and power cycle
- Increase use of renewable fuels and reduce fossil fuels
- Promote and participate in the transformation of the Paper Sector to include the production of Advanced Biofuels

Signing the "Save Energy Now" Pledge



The Pledge



Verso pledged to reduce energy intensity by 25% over 10 years.

- **Within 12 months, complete the following:**
 - Establish energy use and energy intensity baselines
 - Develop an energy management plan
 - Designate an energy leader or energy manager
- **Take steps to reduce energy intensity, thereby lowering related carbon emissions**
- **Report change in energy intensity, energy use data and achievements annually to DOE**



DOE Grant (DE-FOA-0000044)

- **Four Areas of Interest**
 - Area1 - Combined Heat & Power
 - Area2 - District Energy Systems
 - Area3 - Waste Energy Recovery
 - Area4 - Efficient Industrial Equipment
- **Verso applied for Area 3 grant with a total project cost of \$20.0M**
- **Verso was awarded \$9.3M grant for 12 projects**
 - One of 9 awarded out of 350 plus applicants
- **Projects will reduce energy consumption by 1.27 Trillion BTU per year**

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Questions?