

May 26th, 2011

For Immediate Release

Grays Harbor Paper, LLC, announced today the permanent shutdown of the Hoquiam, Washington facility effective immediately.

Patrick Quigg, President of Grays Harbor Paper (GHP), explained the continued high price of raw materials, lower than expected sales of high-value products, and accompanying cash flow considerations are the major factors contributing to the decision to shutdown. In addition, a recent major refinancing effort undertaken by GHP did not materialize.

For the past eighteen years, GHP has found innovative ways to make quality products and grow market share in a difficult business environment, while remaining cost competitive. “I want to acknowledge the continued support of the stakeholders in our community and the industry, especially our loyal employees, without whom we would not have made it this far,” said Quigg.

Grays Harbor Paper is a manufacturer of uncoated copy and printing papers, currently employing 240 people. All of the employees will be affected by the shutdown with the exception of a small support crew to maintain the facilities and sell all remaining inventory. As for the company’s physical assets and equipment, Quigg indicated all options would be considered, including the potential sale of the entire plant to a business that would be capable of restarting operations.

For inquiries please contact:

Patrick Quigg

360 538 5612