

PACIFIC LUMBER

Wednesday, July 23, 2008

Post Immediately

To all employees:

Many Palco and Scopac employees are asking, "Should I come to work on Monday?" All employees should continue to report to work as scheduled until advised otherwise. We cannot predict when the bankruptcy process will be finally concluded, but until it is or other circumstances require a change in operations, employees should continue working as normal.

As employees are aware, MRC has been and will continue, conducting Employee Opportunity Meetings this week.

Beginning today, they will distribute information relating to compensation and benefits. This information was not available until today and for employees who have already had their meeting with MRC we will make copies of the information available throughout the Company offices.