

Verso's Strategic Energy Update

for

NECPUC SYMPOSIUM

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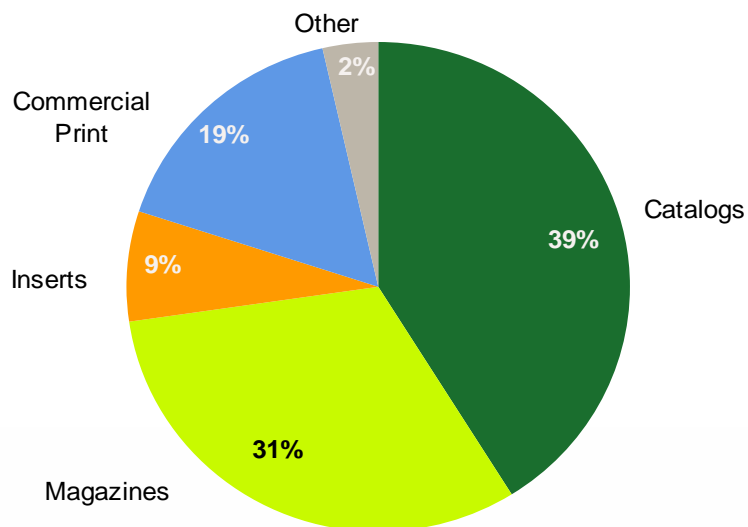


Verso Is One Of North America's Leading Manufacturers Of Coated Papers

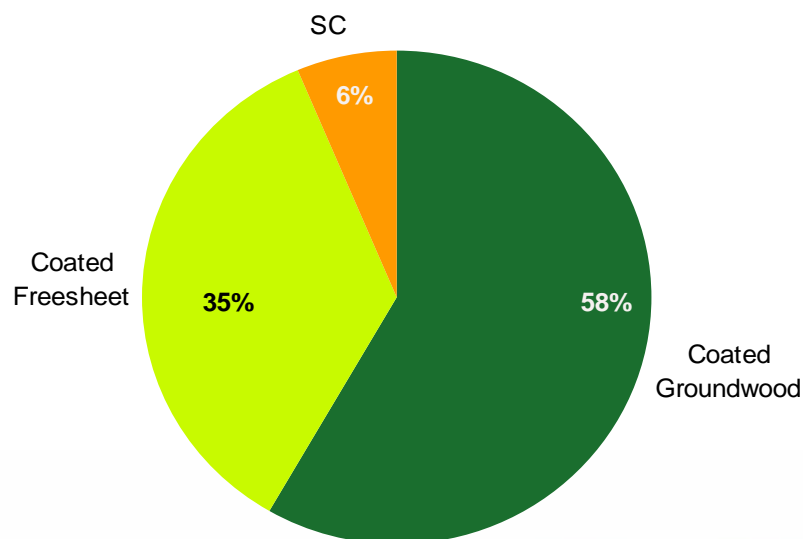
- Four paper mills with 1.6M tons of total paper capacity
- 2600 Employees (Approximately 23k Indirect Jobs)
- 2010 Net Sales of \$1.7B and Adj. EBITDA of \$202M
- Verso has reduced its SEN Energy Intensity by 13.8% since '06
- Verso has reduced its Direct Emissions by 7.8% since '06



Market Leader in Two Key End-User Segments⁽¹⁾



Focused on Three Paper Grades





Verso 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...

All 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 execute and 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.
- Understand and mitigate business risks.

STRATEGIES

- Utilize our integrated business management process to optimize performance.
- Enhance our core business by improving margins.
- 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.

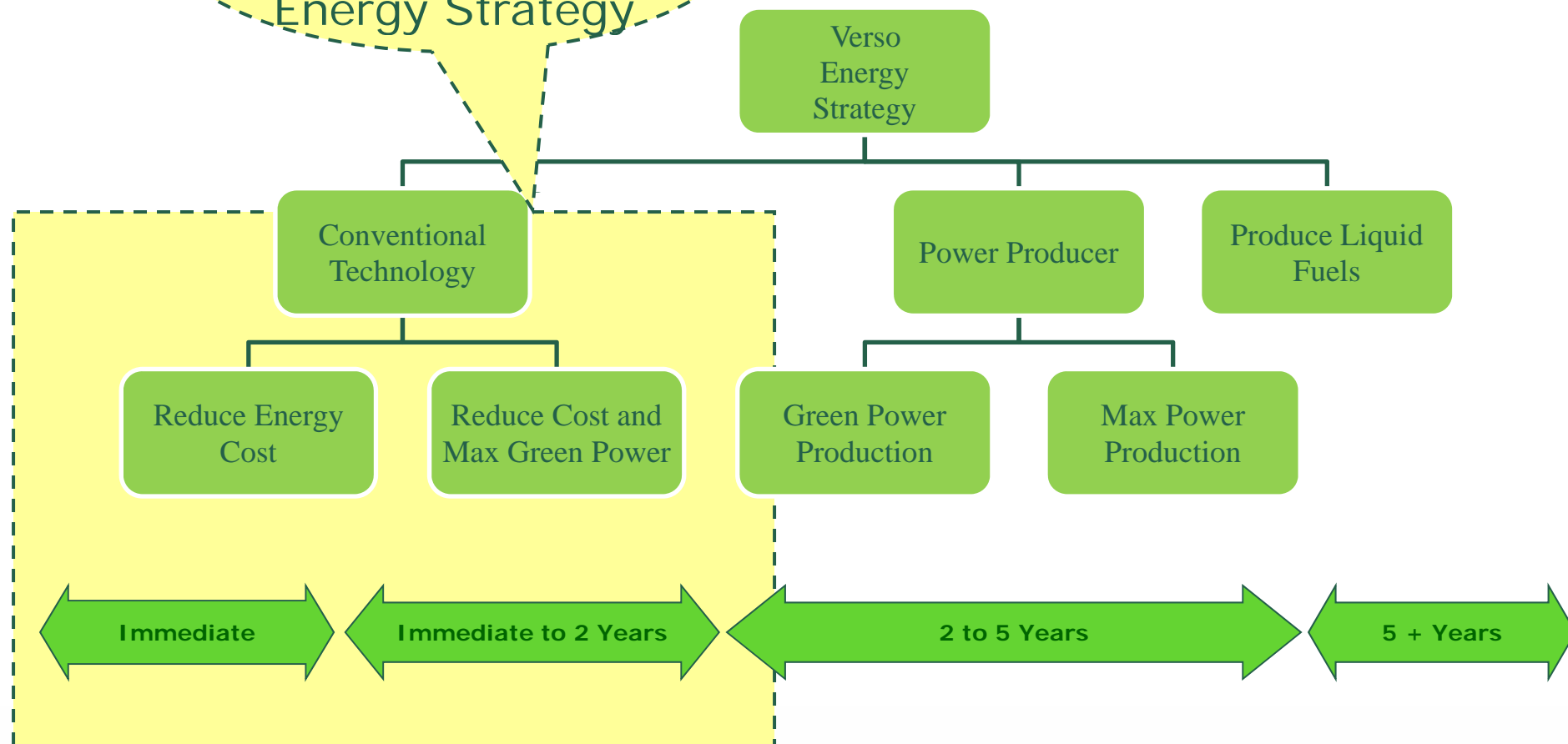
KEY PERFORMANCE MEASURES

- TIR/LWIR
- EBITDA
- Subtotal Ops target
- Margin management
- Cash flow management

Turn to us.

Strategic Energy Initiative

Energy Initiatives
Represent this
portion of overall
Energy Strategy



Verso Strategic Energy Summary



DOE 44 Area 3 Grant

- DOE: \$9.3 million, Verso: \$10.7 million
- Projects across 3 Mills

Quinnesec Renewable Energy Projects

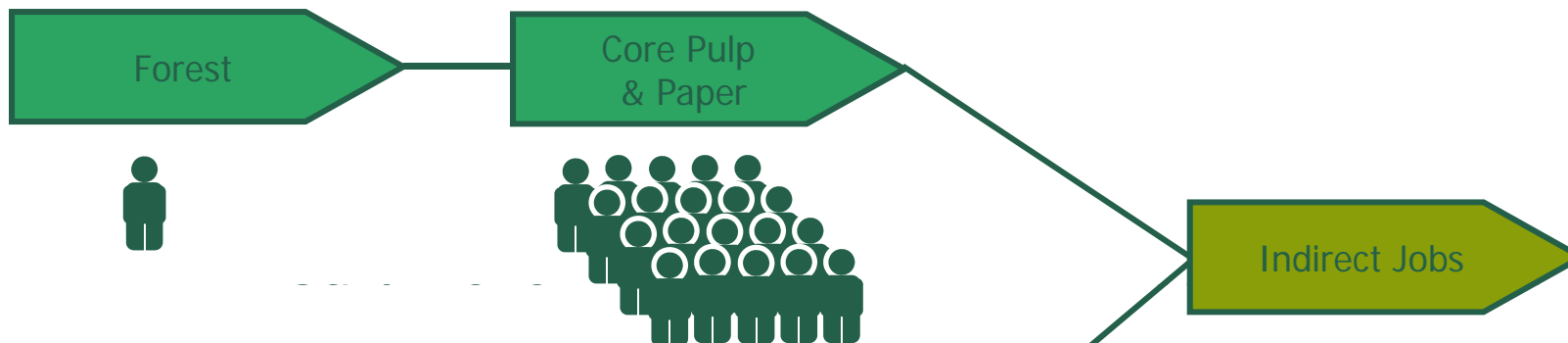
- \$45 million Capital investment for 28MW of Green Power
- Upgrade Biomass Delivery System
- Upgrade Combination Boiler
- New Turbine Generator

Bucksport Renewable Energy Projects

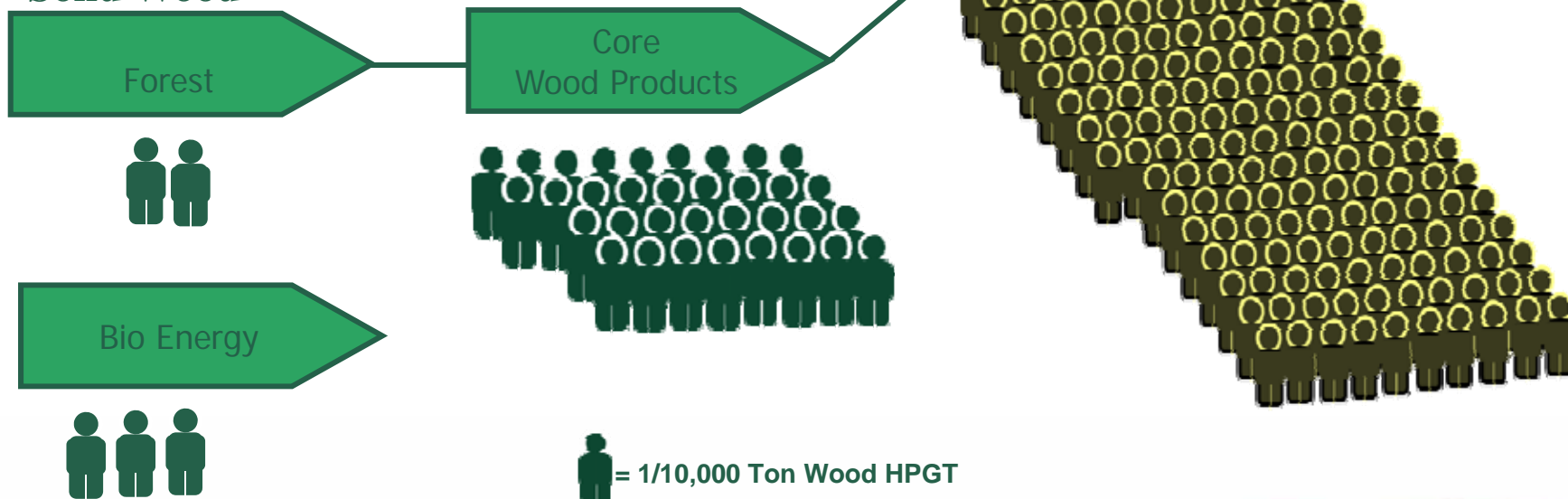
- \$42 million Capital Investment for 35MW of Green Power
- Upgrade Biomass Handling System
- Modify Combination Boiler
- New Turbine Generator

Sustainability and Value Chain of Wood

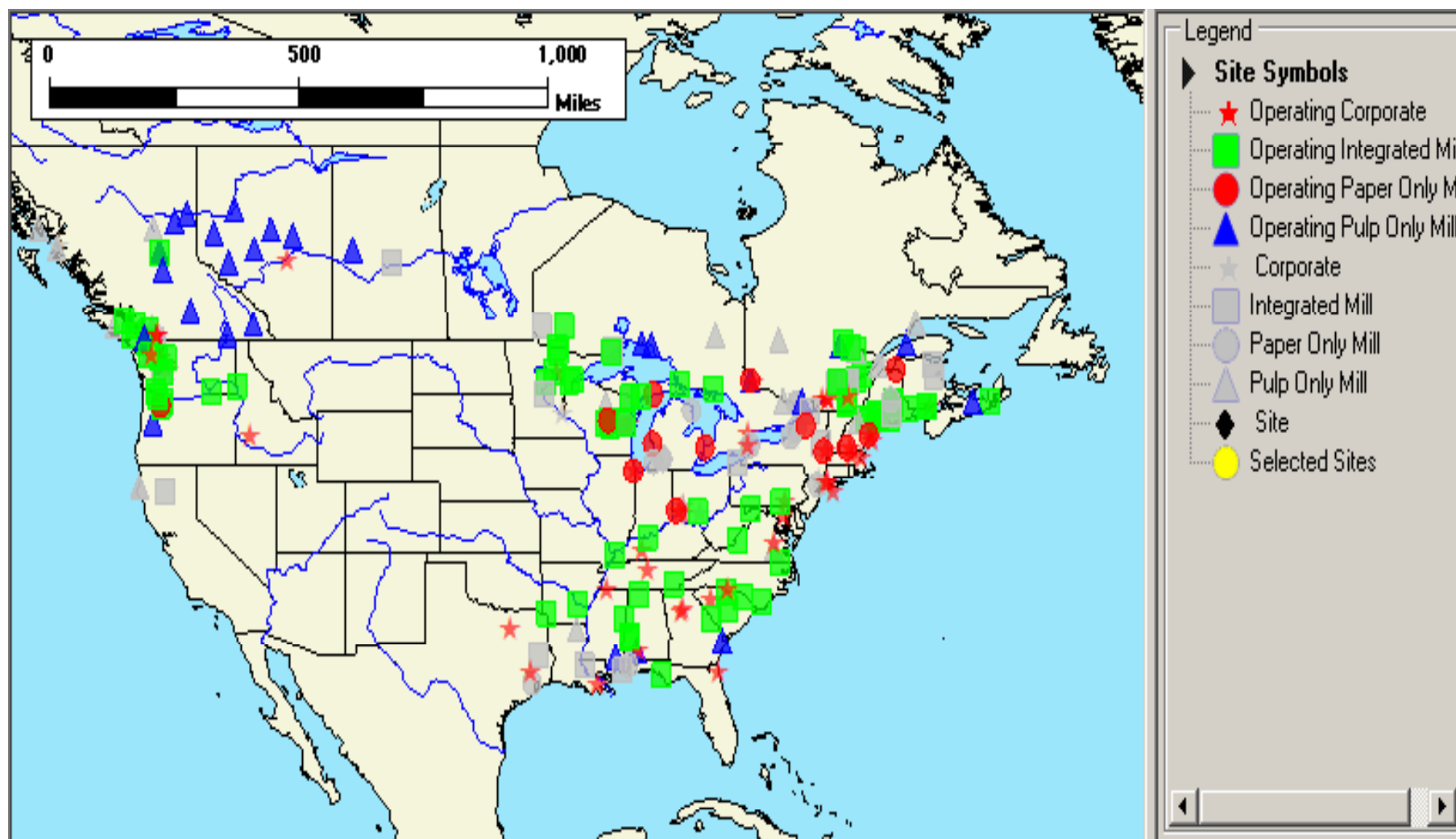
Pulp and Paper



Solid Wood



Advantage of Pulp & Paper



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Source: FisherSolve™

Barriers for Renewable Investments

- Business investments need certainty
 - Legislative uncertainty
 - Capacity Disqualification for all units North of Orrington South Interface
- Most incentives favor R&D vs. mature science
- Access to money / credit
 - Long term contracts may be required
 - Lenders are unfamiliar with REC Markets
- Environmental Regulation Uncertainty
- General Risk Mitigation
- Biomass Specific Barriers
 - Biomass fuel only requirement
 - Unrealistic fuel documentation
 - Emission requirements should recognize CHP