



News Release

For Immediate Release

TSX:SF&K.UN

SF&K P&U&L&P FUND CLARIFIES TERMS RELATED TO ITS CONVERSION TO A CORPORATION

Longueuil, Quebec, May 12, 2010 – SF&K Pulp Fund (TSX: SF&K.UN) (the "Fund") today clarified certain terms related to its plan of arrangement pursuant to which the Fund's income trust structure will be reorganized into a corporation to be named "Fibre&K Inc." (the "Conversion"), as described in the Fund's management proxy circular dated March 29, 2010 (the "Circular").

In their role to support certain investors by providing proxy voting analysis and recommendations, RiskMetrics Group, ISS Governance Services has reviewed the Circular and recommended that the Fund clarify certain aspects of its expected post Conversion structure. Specifically, RiskMetrics has requested that the successor public corporation, Fibre&K Inc. ("Fibre&K"), limit the number of preferred shares that may be issued in the future. Furthermore, RiskMetrics has recommended that the Fund clarify the amendment procedures of Fibre&K's share option plan (the "Share Option Plan") to limit the ability of the board of directors of Fibre&K to amend such plan in order to change the eligible participants, which may increase limits previously imposed on non-employee director participation, without the approval of Fibre&K's shareholders.

Having considered the requests from RiskMetrics, the Fund confirms (i) that the number of preferred shares that Fibre&K could issue after the effective date of the Conversion will be limited to a maximum of 30,000,000; and (ii) that the Share Option Plan will be clarified to provide that the approval of shareholders of Fibre&K is required to effect any amendment of the Share Option Plan, which may permit a change to the eligible participants and have the potential of broadening or increasing the limits imposed on non-employee director participation.

With these clarifications, the Fund understands that RiskMetrics will recommend voting FOR all resolutions at the Fund's unitholders annual and special meeting being held on May 19, 2010, including voting FOR the Conversion from an income trust structure to a corporation and voting FOR the Share Option Plan.

About SF&K Pulp

SF&K Pulp (TSX: SF&K.UN), a leader in the production and distribution of high-quality virgin and recycled kraft pulp, operates three mills located in Saint-Félicien, Québec, Fairmont, West Virginia, and in Menominee, Michigan. The SF&K Pulp workforce totals a little over 500 employees. The company's annual production capacity reaches 745,000 metric tons. The Saint-Félicien mill provides northern bleached softwood kraft pulp (product known as NBSK pulp) to various sectors of the paper industry in Canada, the United States and Europe, for use in the production of specialized products. The Fairmont and Menominee mills manufacture air-dried recycled bleached kraft pulp (product known as RBK pulp) and primarily supply manufacturers of fine uncoated paper, household paper for commercial and industrial uses, and coated paper in the United States.

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