

Pacific Regeneration Technologies  
6320 Harrop-Proctor Road  
Nelson BC V1L 6P9

December 5, 2005

Attention: Dan Livingston

Dear Dan,

As you aware, Tembec Industries Inc. is currently pursuing Forest Stewardship Council (FSC ) certification for all of our East Kootenay operations. To-date we have successfully achieved certification of our TFL 14 and are making great progress towards certification of our Forest License operating areas in Invermere, Cranbrook and Kootenay Lake.

One of the key concerns in the assessment of our operations is the use of pesticides, including off-site facilities such as nurseries. We informed you of these concerns early on and Pacific Regeneration Technologies (PRT) has subsequently taken a very proactive approach by: developing your own " Pesticide Use Plan "; getting Northwest Laboratories to measure pesticide results pre- and post-boxing; documenting any concerns at our communication meetings; and, your recent trials with sulphur pots.

We are very pleased and impressed with the ways in which PRT has addressed these issues and commend you for your approach and dedication.

Thank you for your continued support in assisting Tembec in our efforts to achieve FSC certification of all of our woodlands operations. It is greatly appreciated.

Sincerely,

  
Dave Basaraba

Silviculture Forester  
Tembec, Kootenay Columbia Operations

  
Chris Stagg  
Chief Forester

Tembec, Western Canada Operations