



Laidlaw Energy Announces Energy Agreement with Fraser Papers

Berlin, New Hampshire—(Business Wire)—May 11, 2009—Laidlaw Berlin Biopower, LLC (“Laidlaw”), an affiliate of Laidlaw Energy Group, Inc. (Ticker Symbol “LLEG”) announced today that they have reached and executed an agreement whereby Laidlaw will supply hot water to the Gorham, N.H. paper mill of Fraser Papers, Inc. (“Fraser”) (Ticker Symbol “FPS” on the Toronto Stock Exchange) from Laidlaw’s Berlin, NH biomass-energy facility. Given the significant cost that energy represents in Fraser’s cost structure, it is expected that the agreement will result in significant savings for Fraser, which currently operates oil-fired boilers to provide heat for process water and steam at its Gorham mill. The savings expected to be realized by Fraser will help support the continued operation of the mill, which currently employs 235 workers.

Commenting on the Agreement, Laidlaw President & CEO Michael B. Bartoszek stated “Our forests are a precious resource, and this Agreement will allow us to harness substantially more of the energy created in our facility from wood chips to meet the needs of Fraser. Far too many jobs have been lost over the past few years due to mill closures. To the extent this Agreement helps turn the tide and supports mill jobs, we are extremely pleased to play a part in such a worthy endeavor.”

Laidlaw has agreed to supply the hot water to Fraser at no charge, in consideration for certain beneficial easements that Fraser will provide to Laidlaw. The water is expected to be supplied via an existing 2.5 mile long pipeline between the Laidlaw and Fraser facilities. The agreement also provides that Laidlaw will fund the costs of an engineering study to explore the feasibility of Laidlaw’s facility supplying Fraser with steam, which would further reduce Fraser’s energy costs.

Laidlaw acquired the Berlin facility in December 2008 and has since proposed a number of initiatives to help support the recovery of the regional economy, including the creation of a 501c3 charitable organization to support economic development on the unutilized portion of the former Burgess Mill Site and the creation of a loan fund to support loggers who will supply wood chips to its facility.

About the Laidlaw Energy Berlin, NH Biomass-Energy Project

The Laidlaw facility is expected to utilize approximately 700,000 tons of clean wood biomass chips per annum, injecting approximately \$25 million annually into the regional economy. The Berlin facility is expected to directly employ 40 skilled workers and create or support over 500

indirect jobs associated with wood chip supply and transportation, as well as a neighboring paper mill. Requiring a capital investment of over \$100 million, the 66 megawatt plant is expected to be among the largest and most environmentally advanced biomass-energy plants in North America.

About Laidlaw Energy Group

Laidlaw Energy is engaged in the development of independent power plants that generate electricity from renewable resources, with a particular emphasis on biomass power. Laidlaw Energy's mission is to build and manage a profitable portfolio of biomass facilities through the development of new facilities and acquisition of existing facilities, and in so doing become the leading supplier of biomass power in the United States. Laidlaw Energy is headquartered in New York, New York. For more information, please visit our website at www.LaidlawEnergy.com.

This communication contains statements expressing expectations of future events and/or results which may include, without limitation, statements concerning anticipated financial performance, business prospects, technological developments, potential markets, new products, research and development activities and similar matters. Such statements constitute forward-looking statements made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995. All statements based on future expectations rather than historical facts are forward-looking statements that involve a number of risks and uncertainties, and LLEG cannot provide assurance that such statements will prove to be correct. LLEG undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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