

January 22, 2008

Canfor Pulp Limited Partnership Announces Progress Update on Impact of Fire at Prince George Pulp and Paper Mill

Vancouver, B.C. – Canfor Pulp Limited Partnership (the “Partnership”) has reviewed alternatives for chip supply to the mill, which was discontinued due to the previously reported fire in the chip screening and in-feed system, and has determined that it is expected to take approximately 5 weeks to implement interim measures to provide chip feed to the digesters and recommence pulp production at this mill. Pulp production lost during this period is estimated to be approximately 28,000 tonnes.

The Partnership has also determined that the extent of the damage will require a replacement of the chip screening facility. Once pulp production is restarted, the intention is to operate the mill utilizing a modified chip screen and feed system until a new chip screening facility can be constructed.

To mitigate the impact on customers, the paper machine is currently operating utilizing pulp supplied from the Partnership’s Intercontinental and Northwood pulp mills.

The Partnership has property damage and business interruption insurance coverage to limit the financial loss to the Partnership. The loss is not expected to have a material impact on the financial condition of the Partnership.

Forward Looking Statements

Certain statements in this press release constitute “forward-looking statements” which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Words such as “expects”, “anticipates”, “intends”, “plans”, “will”, “believes”, “seeks”, “estimates”, “should”, “may”, “could” and variations of such words and similar expressions are intended to identify such forward-looking statements. The risks and uncertainties are detailed from time to time in reports filed by the Fund with the securities regulatory authorities in all of the provinces and territories of Canada to which recipients of this press release are referred to for additional information concerning the Fund, its prospects and uncertainties relating to the Fund and its prospects. These statements are based on management’s current expectations and beliefs and actual events or results may differ materially. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance and achievements of the Fund to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and the Fund assumes no obligation to update such information to reflect later events or developments, except as required by law.

About Canfor Pulp Limited Partnership

Canfor Pulp Limited Partnership is the second largest North American and fourth largest global producer of market NBSK pulp and is the leading producer of fully bleached, high performance Kraft Paper. The Partnership owns and operates three mills in Prince George, British Columbia, which are among the lowest cost NBSK pulp producers in the industry.

About Canfor Pulp Income Fund

The Fund is an unincorporated, open-ended trust established under the laws of Ontario, created to indirectly acquire and hold an interest in the Partnership. The Fund indirectly holds a 49.8% interest in the Partnership and Canadian Forest Products Ltd. (a subsidiary of Canfor Corporation) holds the remaining 50.2% interest. Canfor Pulp Income Fund units trade on the Toronto Stock Exchange under the symbol CFX.UN.

For more information about Canfor Pulp Income Fund and the Partnership, please visit www.canforpulp.com.

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