

For Immediate Release

CANFOR ANNOUNCES CAPITAL INVESTMENTS IN ELKO SAWMILL

December 17, 2012 – Vancouver, B.C. - Canfor Corporation (TSX:CFP) announced today that the Company will proceed with capital investments totaling an estimated \$40 million in its Elko sawmill, located in the Kootenay region of British Columbia (B.C.). This investment is part of a multi-year capital investment program aimed at enhancing productivity and cost performance across the company.

The Elko investment will include upgrades to the sawmill, increased kiln drying capacity as well as the construction of a greenfield planer mill complex. The Elko capital project will commence in Q1 2013, with anticipated completion in Q3 2013.

“These investments are aligned with our strategic investments in our Kootenay assets, and are necessary to ensure our Elko facility can operate competitively in all market conditions,” said Don Kayne, President and CEO of Canfor Corporation.

Canfor is the largest forest company in British Columbia, directly employing more than 3,500 people in the province in highly skilled, well paid and stable jobs. Over the last three years, the company has invested \$372 million in our facilities in British Columbia. These major capital investments have included the restart our Radium and Vavenby facilities, and other significant spending aimed at keeping our mills competitive to ensure economic operation and continued, stable employment. The reopening of our Vavenby and Radium mills resulted in the creation of 305 direct jobs, combined with significant downstream benefits to local economies.

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”, “projects”, “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. These statements are based on management’s current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and Canfor and the Purchaser assume no obligation to update such information to reflect later events or developments, except as required by law.

News Release



Canfor is a leading integrated forest products company based in Vancouver, British Columbia (BC) with operations in BC, Alberta, Quebec and North and South Carolina. Canfor produces primarily softwood lumber, and also produces bleached chemi-thermo-mechanical pulp and specialized wood products. Canfor also owns a 50.2% interest in Canfor Pulp Products Inc., which is one of the largest producers of northern softwood kraft pulp in Canada and a leading producer of high performance kraft paper. Canfor shares are traded on the Toronto Stock Exchange under the symbol CFP.

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