

News Release



For Immediate Release

September 24, 2014

CANFOR TO CONSTRUCT PELLET PLANTS IN CHETWYND, FORT ST. JOHN

Vancouver, B.C. – Canfor Corporation (TSX:CFP) is pleased to announce its plans to construct a pellet plant at each of the Company's Chetwynd and Fort St. John sawmill sites. The pellet plants will be constructed and operated in partnership with Pacific Bioenergy Corporation.

The two plants will have a combined annual production capacity of 175,000 tonnes of wood pellets, the sale of which is tied to a long term agreement with a power utility customer. The total investment of \$58 million will include electrical self-generation capacity of 3 megawatts supported through BC Hydro's Power Smart Load Displacement Program.

"These investments enhance our utilization of sawmill residuals and contribute to our Company's overall sustainable value proposition," said Canfor Corporation President and CEO Don Kayne. "We are pleased to continue our strong partnership with BC Hydro on renewable energy, and contribute to the Province's goals of sustainable power generation."

"BC Hydro is proud to partner in projects that generate renewable energy and reduce overall electricity demand on BC Hydro's system," said Joanna Sofield, Power Smart general manager. "This project will displace 19.1 gigawatt hours of Canfor's electricity consumption per year for 20 years, with a positive impact on all BC Hydro customers. This investment by Canfor is a great fit with Power Smart's Industrial Program."

The pellet plants are scheduled to commence production in the third and fourth quarters of 2015.

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.

Canfor is a leading integrated forest products company based in Vancouver, British Columbia (BC) with operations in BC, Alberta, North and South Carolina and Alabama. Canfor produces primarily softwood lumber, and also produces bleached chemi-thermo-mechanical pulp and specialized wood products.

Canfor also owns a 50.4% 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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