

January 17, 2008

FOR IMMEDIATE RELEASE

Vancouver, B.C. – Reporting on a fire on the evening of January 15, 2008 at its Prince George Pulp and Paper mill, Canfor Pulp Limited Partnership (the “Partnership”) confirmed today that damage was confined to the chip processing and chip in-feed facilities. The digesters and other components of the mill as well as on site chip inventories were unaffected by the fire. There were no serious injuries reported.

The Partnership is investigating chip in-feed alternatives to minimize production disruptions. In the interim, the paper machine and pulp bleaching and repulping components of the mill have been restarted to satisfy customer supply commitments.

The Partnership’s adjacent Intercontinental Pulp mill and its larger Northwood Pulp mill were unaffected by the fire and normal operations continued at both mills.

Until the duration of the production disruption is determined and estimates of repair costs can be made, the financial impact cannot be accurately estimated. However, based on current information including insurance coverage, this incident is not expected to have a material effect 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.

For further information:

Terry Hodgins
Interim Chief Financial Officer and Secretary
Ph: 604-661-5421
Terry.Hodgins@canforpulp.com

David Jan
Investor Relations
Ph. 604-312-9457
David.Jan@canforpulp.com