Disclosure of Risk Factors

Certain statements in this presentation 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 Canfor Pulp Income Fund and Canfor Pulp Limited Partnership (Canfor Pulp or Partnership) with the securities regulatory authorities in all of the provinces and territories of Canada to which recipients of this presentation are referred to for additional information concerning the Partnership, its prospects and uncertainties relating to the Partnership 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 Partnership to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and the Partnership assumes no obligation to update such information to reflect later events or developments, except as required by law.

In this presentation, references are made to EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization and before other non-operating income and expenses) and adjusted distributable cash. Canfor Pulp considers EBITDA and adjusted distributable cash to be an important indicator for identifying trends in the performance and of the Fund’s ability to generate funds to meet its debt service, capital expenditure requirements and to make cash distributions to its partners. EBITDA and adjusted distributable cash is not a generally accepted earnings measure and should not be considered as an alternative to net income or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA and adjusted distributable cash, the Fund’s use of these terms may not be directly comparable with similarly titled measures used by other entities.

Unless otherwise noted, all financial references are in Canadian dollars.
Overview

3 mills in the central interior of British Columbia
- Pulp capacity of 1.1 million tonnes
- Kraft paper capacity of 140,000 tonnes
- 4 pulp machines and 1 paper machine

Business spun out from Canfor Corporation on July 1, 2006
- Canfor currently owns 50.2%
- Canfor Pulp Income Fund (CFX.un) owns 49.8%

CFX.UN
- Float of 35.5 million units on the TSX
- Average daily volume of units traded (2007) = 230,000 units per day
Why Canfor Pulp?

- Market leadership
  - Size
  - Premium Product
  - Customer Base

- Low cost producer

- Financial strength

- Experienced management team *

- Abundant fibre supply

* Refer to Appendix for Officer Biographies
Market Leadership

No. 3 in NBSK Globally / Largest NSK Seller

Source: PPPC & Management Estimates

Source: PPPC & Management Estimates
**Premium Products: Reinforcing Pulp**

- **Not all pulps are the same:** Northern spruce and pine fibre produced in the central interior of British Columbia is recognized as being the strongest in the world due to the long, slender fibres. This provides for a better printing surface, better softness and better strength.

- **This fibre is the best to produce a reinforcing pulp,** which in turn commands a premium price.

**Typical Fibre Dimensions**

"Weight weighted lengths measured by Kajaani FS200"
End-Use Mix

Target Customers That Need Reinforcing Pulp

Examples include:

- **Printing & Writing**
  - Magazines
  - Catalogues

- **Specialty**
  - Adhesive labels (beer)
  - Masking tape

- **Tissue**
  - Branded top quality “Use at-home” tissues

- **Commodity**
  - Photocopy paper
Diversified Sales by Region

Maintain high mill nets with diversified sales
Fibre - Abundant and Low Cost

Conifer Chips (Delivered Prices) - Q3/2007

USD/Odt

Source: Wood Resources International

* NBSK producing region
High Margin Producer

Top quartile EBI TDA per tonne producer due to:

Revenues

- Selling into the highest margin regions to targeted customers

Low costs

- Competitive fibre costs
- Strong operations which drives down production costs

Based on most recent PwC rankings of Canadian NBSK pulp mills, Canfor Pulp mills were top quartile in EBI TDA
Financials

Strong margins: increasing pulp prices offset against the strengthening dollar and rising fibre costs

<table>
<thead>
<tr>
<th>$ millions unless otherwise noted</th>
<th>Year ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 2007</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Sales</td>
<td>921.6</td>
<td>830.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>188.5</td>
<td>180.2</td>
</tr>
<tr>
<td>- ebitda margin%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Net Income</td>
<td>129.9</td>
<td>123.0</td>
</tr>
<tr>
<td>- per unit</td>
<td>$1.82</td>
<td>$1.73</td>
</tr>
<tr>
<td>US$ average pulp list price *</td>
<td>$823</td>
<td>$720</td>
</tr>
<tr>
<td>C$ average pulp list price *</td>
<td>$885</td>
<td>$817</td>
</tr>
<tr>
<td>Average Cdn/US exchange rate</td>
<td>$0.930</td>
<td>$0.882</td>
</tr>
</tbody>
</table>

* Per tonne, delivered to USA
Balance Sheet

Maintain a strong balance sheet

<table>
<thead>
<tr>
<th>$ millions</th>
<th>As at Dec 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2.6</td>
</tr>
<tr>
<td>Current Assets</td>
<td>307.9</td>
</tr>
<tr>
<td>Fixed Assets &amp; Other</td>
<td>598.5</td>
</tr>
<tr>
<td>Total</td>
<td>909.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ millions</th>
<th>As at Dec 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current &amp; Other Liabilities</td>
<td>215.4</td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>108.7</td>
</tr>
<tr>
<td>Equity</td>
<td>584.9</td>
</tr>
<tr>
<td>Total</td>
<td>909.0</td>
</tr>
</tbody>
</table>

- Net Debt/EBITDA (LTM) = 0.56
- Net Debt/Equity = 0.18
- Yield (as at February 15, 2008 price) = 14%
Summary

- Market leadership
  - Size
  - Premium Product
  - Customer Base

- Low cost producer

- Financial strength

- Experienced management team

- Abundant fibre supply
Appendix

- Management Bio’s
- Business Overview
- Industry Dynamics
Officer Biographies

Paul Richards – President & CEO
- Over 35 years in the pulp & paper business
- Worked at Weldwood, Repap, MacMillan Bloedel
- Chemical Engineer

Terry Hodgins – Interim CFO & Secretary
- Over 25 years of public company financial management
- Forestry experience at Canfor Corp. and Slocan Forest Products
- Chartered Accountant and Bachelor of Mechanical Engineering

Joe Nemeth – Vice-President, Sales and Marketing
- Over 20 years of forestry experience, woodlands, lumber, plywood and pulp & paper (manufacturing and marketing)
- MBA and Bachelor of Forestry
Simplified Ownership Structure

```
Canfor Shareholders

CANFOR CORPORATION (British Columbia)

50.2%
35.776 million Class B LP units

CANFOR PULP LIMITED PARTNERSHIP (Manitoba) & CANFOR PULP HOLDING INC (General Partner)

The Pulp Business

Unitholders

CANFOR PULP INCOME FUND (Ontario)

100%

35.494 million fund units

CANFOR PULP TRUST (Ontario)

49.8%
35.494 million Class A & B LP units

35.776 million Class B LP units
```

Canfor Shareholders

Unitholders

50.2%
35.776 million Class B LP units

49.8%
35.494 million Class A & B LP units

100%
35.494 million fund units

The Pulp Business
Our Operations

Canfor Pulp Limited Partnership

3 mills in the BC Interior:
- 1.1 million tonnes of NBSK pulp capacity
- 140,000 tonnes of Kraft paper
- 4 pulp machines and 1 paper machine

<table>
<thead>
<tr>
<th>MILL/LOCATION</th>
<th>KEY PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Intercontinental</td>
<td>NBSK Pulp</td>
</tr>
<tr>
<td>2 Northwood</td>
<td>NBSK Pulp</td>
</tr>
<tr>
<td>3 Prince George Pulp &amp; Paper</td>
<td>NSK Pulp</td>
</tr>
<tr>
<td>3 Prince George Pulp &amp; Paper</td>
<td>Kraft Paper</td>
</tr>
<tr>
<td>4 Vancouver</td>
<td>Head Office</td>
</tr>
<tr>
<td>5 Canfor Pulp Research &amp; Development Centre - Vancouver</td>
<td>Pulp &amp; Paper</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
</tbody>
</table>
The Operations - 3 Mills in Prince George, BC

- Northwood
- Intercon
- Prince George Pulp & Paper

<table>
<thead>
<tr>
<th></th>
<th>Northwood</th>
<th>Intercontinental</th>
<th>PG&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Built</td>
<td>1966</td>
<td>1968</td>
<td>1966</td>
</tr>
<tr>
<td>No. of employees</td>
<td>500</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>Capacity (ADMT*)</td>
<td>590,000</td>
<td>315,000</td>
<td>155,000 (pulp)</td>
</tr>
<tr>
<td>Operations</td>
<td>2-line</td>
<td>1-line</td>
<td>1-line</td>
</tr>
<tr>
<td>Markets</td>
<td></td>
<td>North America, Europe &amp; Asia</td>
<td>North America &amp; Europe</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td>Bleached NBSK</td>
<td>Semi-bleached and Unbleached</td>
</tr>
<tr>
<td>Fibre consumed (Odt's)</td>
<td></td>
<td>2.5 million</td>
<td></td>
</tr>
<tr>
<td>Certification</td>
<td></td>
<td>ISO 9001 and ISO 14001</td>
<td></td>
</tr>
</tbody>
</table>

*air-dried metric tonnes; tonne = metric ton = 2240 lbs
Global Chemical Market Pulp Demand

10 yr Chemical Market Pulp Demand CAGR ~ 3.1%

- Bleached Hardwood Kraft: 47%
- Bleached Softwood Kraft: 46%
- Unbleached Kraft: 5%
- Sulphite: 2%

World Chemical Pulp Demand: 49 million tonnes

- World Softwood Pulp Demand: 23 million tonnes
  - NBSK: 60%
  - SBSK: 27%
  - Other: 13%

- Commodity: 68%
- PRP: 32%

NBSK Pulp Demand: 14 million tonnes

Source: Pulp & Paper Products Council (Dec 2007)
Global NBSK Supply by Region (2007)

Source: Pulp & Paper Products Council
Financials - Sensitivities

- Available on www.canforpulp.com and www.sedar.com are:
  - Annual Information Form
  - Annual MD&A and Audited financial statements
  - Quarterly MD&A and financial statements

- Sensitivities

<table>
<thead>
<tr>
<th>(millions of dollars, unaudited)</th>
<th>Impact on annual EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cdn dollar - US $0.01 change per Cdn dollar</td>
<td>$8</td>
</tr>
<tr>
<td>NBSK pulp price - US $10 change per tonne</td>
<td>$10</td>
</tr>
<tr>
<td>Fibre cost - $10 change</td>
<td>$25</td>
</tr>
<tr>
<td>Natural gas cost - $1 change per gigajoule</td>
<td>$4</td>
</tr>
</tbody>
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