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

► Canfor Pulp Limited Partnership (CPLP)
  – 3 mills in the central interior of BC
  – Pulp capacity of 1.1 million tonnes
  – Kraft paper capacity over 140,000 tonnes
  – 4 pulp machines and 1 paper machine

► CFX.UN
  – Canfor Pulp Income Fund (CFX.UN) owns 49.8% of CPLP
  – CFX.UN float of 35.5 million units trade on the TSX
  – Market capitalization approx. $400 million
  – ~ 200,000 units trade on average per day
Why Canfor Pulp?

1) Positive pulp market dynamics
2) Low cost producer
3) Fibre supply: abundant and low cost
4) Market leadership

Strong Financial Performance
Pulp Markets: Current dynamics

1) Softwood Producer Stocks at 33 days and Consumer stocks at 25 days

* Days of supply, corrected for seasonality; upper and lower limits are the average level plus, or minus one standard deviation.

Source: PPPC

2) Net reduction in NBSK capacity, with more at risk
Pulp Markets: Long-term NBSK Growth

Demand for NBSK continues to grow by 1 – 2% per year

Source: PPPC
Pulp Markets: The Impact of Hardwood Pulps

Growth of hardwood pulps not expected to impact NBSK prices

NBSK/BEK US$ Price (delivered to N Europe)
CIF N European Port, Actual Prices Through Q1 2008

Source: TerraChoice MSI - April 7, 2008
Pulp Markets: Historical NBSK Prices

The floor for NBSK prices has increased

NBSK List Prices in $US Delivered to North America vs. Foreign Exchange
High Margin Producer

Top Quartile* EBITDA per tonne producer due to:

- **Revenues**
  - Selling into the highest margin regions to targeted customers

- **Low costs**
  - Competitive fibre costs
  - Strong operations
  - Focus on cost control

* Per most recent PwC 2006 benchmarking study of 13 Canadian NBSK mills, Canfor Pulp’s mills were Top Quartile

** Ave of Others includes 5 other North American producers of pulp
Low Cost Producer

Northern Bleached Softwood Kraft Manufacturing Costs
As at Q4/07

USD/mt

Cumulative Capacity

1 EUR = 1.458 USD
1 USD = 1.000 CAD
Fibre Sources

(million Odt’s) Normal Current
Canfor Sawmills 1.6 1.2
Other Sawmills 0.9 0.7
Whole-log chipping - 0.6

TOTAL 2.5 2.5

Canfor’s sawmills control more than 10 million cubic meters of allowable annual cut (AAC) in British Columbia and Alberta.
Fibre: Low Cost

Conifer Chips - Delivered Prices Q4 2006 vs. Q4 2007

Source: Wood Resources International

NBSK Producing Region

Q4-07

Q4-06

US South

Chile (roundwood)

US Northwest

Canada West

New Zealand

Brazil

Norway

Germany

Canada East

Sweden

Finland (roundwood)

Japan
Efficient operations

- Culture of continuous improvement
- Efficient operations drives a lower cost structure
- Year over year production increases

![Bar graph showing production increase from 2005 to 2007 for PGPP, Intercon, and Northwood. The graph indicates a +34,000 tonnes increase in 2006 and a +31,000 tonnes increase in 2007.]
Leadership position

No. 3 in NBSK Globally / Largest NSK Seller

- Sodra Cell
- Mercer
- Canfor Pulp
- Pope & Talbot
- Ilim
- Tembec
- Domtar
- West Fraser
- Stora Enso
- Weyerhaeuser

000's tonnes

HSLP
PG
Higher Mill Nets Achieved

1) Target Customers That Need Reinforcing Pulp

Examples:

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

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

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

- **Commodity**
  - Photocopy paper

2) Diversify Sales

Current Prices:

- USA = US$880 per tonne, list
- Europe = US$920 per tonne, list
- Asia = US$760 to $810, net

2007 Sales

- Commodity
- Printing & Writing
- Tissue
- Specialty

2007 Sales

- North America
- Asia
- Europe
## Financials: Strong Performance

<table>
<thead>
<tr>
<th></th>
<th>Q1 2008</th>
<th>Q4 2007</th>
<th>Q1 2007</th>
<th>Year ended 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>211.4</td>
<td>215.1</td>
<td>238.2</td>
<td>921.6</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>42.5</td>
<td>27.9</td>
<td>60.1</td>
<td>188.5</td>
</tr>
<tr>
<td>- ebitda margin%</td>
<td>20%</td>
<td>13%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>43.5</td>
<td>12.1</td>
<td>48.6</td>
<td>129.8</td>
</tr>
<tr>
<td>- per unit</td>
<td>$0.61</td>
<td>$0.17</td>
<td>$0.68</td>
<td>$1.82</td>
</tr>
<tr>
<td><strong>C$ average list pulp price</strong> (del to USA)</td>
<td>884</td>
<td>841</td>
<td>925</td>
<td>885</td>
</tr>
<tr>
<td><strong>Shipments-pulp (m tonnes)</strong></td>
<td>228.9</td>
<td>253.6</td>
<td>253.1</td>
<td>1,023.6</td>
</tr>
<tr>
<td><strong>Production-pulp (m tonnes)</strong></td>
<td>231.5</td>
<td>261.4</td>
<td>258.9</td>
<td>1,044.3</td>
</tr>
</tbody>
</table>
Financials: Strong Financial Position

Maintain a strong balance sheet

<table>
<thead>
<tr>
<th>$ millions</th>
<th>As at Mar 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>22.9 $ millions</td>
</tr>
<tr>
<td>Current Assets</td>
<td>324.1 $ millions</td>
</tr>
<tr>
<td>Fixed Assets &amp; Others</td>
<td>595.0 $ millions</td>
</tr>
<tr>
<td>Total</td>
<td>942.0 $ millions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ millions</th>
<th>As at Mar 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current &amp; Other Liabilities</td>
<td>227.3 $ millions</td>
</tr>
<tr>
<td>Long-term Debt *</td>
<td>112.0 $ millions</td>
</tr>
<tr>
<td>Equity</td>
<td>602.7 $ millions</td>
</tr>
<tr>
<td>Total</td>
<td>942.0 $ millions</td>
</tr>
</tbody>
</table>

- Net Debt / EBITDA (LTM) 0.52
- Net Debt / Equity 0.15
- Yield ~13%

* Fixed rate Notes due November 2013.
Distributions

► Based on estimates of full year cash flow from operations after debt service and capital expenditures
  – Low debt service costs - $7 million
  – Capital requirements to retain competitive cost structure ~ $34 million per year

► Full flow through from CPLP operations to unitholders
Why Canfor Pulp?

1) Positive pulp market dynamics
2) Low cost producer
3) Fibre supply: abundant and low cost
4) Market leadership

Strong Financial Performance
Investor Contact

► CFX.UN

► Investor Contact
David Jan
David.Jan@canforpulp.com
604-312-9457

► Canfor Pulp Income Fund
1700 West 75th Avenue
Vancouver, BC  V6P 6G2

► www.canforpulp.com
Canfor Pulp Income Fund

APPENDIX
Experienced Leadership

► **Board of Directors**
  Charles Jago, Chairman 1,2
  Stan Bracken-Horrocks 1,2
  Donald Campbell 1,3
  Peter Bentley 2
  Peter Lusztig 1,3
  Paul Richards 4
  James Shepard 5

1 Audit Committee
2 Compensation Committee
3 Nominating Committee
4 Management
5 Canfor Corp. CEO

► **Management**
  Paul Richards, *President & CEO*
  Terry Hodgins, *CFO & Secretary*
  Joe Nemeth, *VP, Sales & Marketing*
  Craig Garratt, *GM, Fibre Supply*
  Rick Pingel, *GM, Logistics & Procurement*
  Martin Pudlas, *GM, Northwood Mill*
  Rick Remesch, *Corporate Controller*
  Brett Robinson, *GM, Intercon and Prince George Pulp & Paper Mill*
  David Scott, *GM, Human Resources*
Simplified Ownership Structure

CANFOR CORPORATION

Canadian Forest Products Ltd.

100%

50.2%
35,776,483 Class B Exchangeable LP Units

100%
35,493,542 Fund Units

100%

CANFOR PULP TRUST

CANFOR PULP LIMITED PARTNERSHIP

and CANFOR PULP HOLDING INC. (General Partner)

The Pulp Business

14,254,005 Class A LP Units
21,239,537 Class B LP Units
(representing 49.8% of all LP Units)

100%

CANFOR PULP INCOME FUND

Unit holders

100%

100%

14,254,005 Class A LP Units
21,239,537 Class B LP Units
(representing 49.8% of all LP Units)
Our Location

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

**MILL/LOCATION**
1. Intercontinental
2. Northwood
3. Prince George Pulp & Paper
4. Vancouver
5. Canfor Pulp Research & Development Centre - Vancouver

**KEY PRODUCTS**
- 1. Intercontinental: NBSK Pulp
- 2. Northwood: NBSK Pulp
- 4. Vancouver: Kraft Paper
- 5. Canfor Pulp Research & Development Centre - Vancouver: Pulp & Paper
- Other
## The Operations

<table>
<thead>
<tr>
<th></th>
<th>Northwood</th>
<th>Intercontinental</th>
<th>Prince George Pulp &amp; Paper</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>480</td>
<td>280</td>
<td>390</td>
</tr>
<tr>
<td>Capacity (ADMT*)</td>
<td>590,000</td>
<td>315,000</td>
<td>155,000 (pulp)</td>
</tr>
<tr>
<td></td>
<td>140,000 (paper)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>2-line pulp</td>
<td>1-line pulp</td>
<td>1-line pulp</td>
</tr>
<tr>
<td></td>
<td>1-line paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Markets</td>
<td>North America, Europe &amp; Asia</td>
<td>North America &amp; Europe</td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>Bleached NBSK</td>
<td>Semi-bleached and Unbleached</td>
<td>Bleached and Unbleached</td>
</tr>
<tr>
<td>Fibre consumed</td>
<td>2.5 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Oven-dried tonne)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification</td>
<td>ISO 9001 and ISO 14001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*air-dried metric tonnes; tonne = metric ton = 2240 lbs
Not all pulps are the same: Northern spruce and pine fibre grown in the central interior of British Columbia is recognized as one of the strongest in the world due to the long, slender fibres. Provides for a better printing surface, better softness and better strength, which in turn commands a premium price.

**Typical Fibre Dimensions**

<table>
<thead>
<tr>
<th>Fibre Type</th>
<th>Wall Thickness in Microns</th>
<th>Fibre Length in Millimetres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal Douglas Fir</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Hemlock</td>
<td>3.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Radiata Pine</td>
<td>3.7</td>
<td>3.3</td>
</tr>
<tr>
<td>Spruce/Pine</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Western Red Cedar</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Birch</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Eucalyptus (Typical)</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

"Weight weighted lengths measured by Kajaani FS200"
Pulp Demand

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

**World Chemical Pulp Demand**
- 49 million tonnes

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

**NBSK Pulp Demand**
- 14 million tonnes
- **Commodity**: 68%
- **PRP**: 32%

Source: Pulp & Paper Products Council (Dec 2007)

10 yr Chemical Market Pulp Demand CAGR ~ 3.1%
Global NBSK Supply by Region (2006)

- Canada: 46%
- Sweden: 21%
- Finland: 12%
- Other: 21%

Source: Pulp & Paper Products Council
# Financials: Strong Earnings

## Selected Quarterly Partnership Financial Information

<table>
<thead>
<tr>
<th></th>
<th>Q1-2008</th>
<th>Q4-2007</th>
<th>Q3-2007</th>
<th>Q2-2007</th>
<th>Q1-2007</th>
<th>Q4-2006</th>
<th>Q3-2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales ($ millions)</strong></td>
<td>211.4</td>
<td>215.1</td>
<td>228.9</td>
<td>239.4</td>
<td>238.2</td>
<td>225.2</td>
<td>213.6</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>42.5</td>
<td>27.9</td>
<td>48.8</td>
<td>51.7</td>
<td>60.1</td>
<td>58.2</td>
<td>61.8</td>
</tr>
<tr>
<td>- EBITDA %</td>
<td>20%</td>
<td>13%</td>
<td>21%</td>
<td>22%</td>
<td>25%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>43.5</td>
<td>12.1</td>
<td>33.2</td>
<td>35.9</td>
<td>48.6</td>
<td>44.8</td>
<td>41.9</td>
</tr>
<tr>
<td><strong>Adjusted Distributable Cash Per Unit</strong></td>
<td>0.60</td>
<td>0.19</td>
<td>0.50</td>
<td>0.54</td>
<td>0.72</td>
<td>0.80</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>Shipments (000 tonnes)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pulp</td>
<td>228.9</td>
<td>253.6</td>
<td>257.1</td>
<td>259.8</td>
<td>253.1</td>
<td>249.8</td>
<td>251.4</td>
</tr>
<tr>
<td>- Paper</td>
<td>35.1</td>
<td>32.4</td>
<td>30.8</td>
<td>35.9</td>
<td>30.4</td>
<td>32.7</td>
<td>29.5</td>
</tr>
<tr>
<td>**Pulp Prices *</td>
<td>880</td>
<td>857</td>
<td>837</td>
<td>810</td>
<td>790</td>
<td>770</td>
<td>757</td>
</tr>
<tr>
<td><strong>USD / CAD fx rate</strong></td>
<td>0.996</td>
<td>1.019</td>
<td>0.957</td>
<td>0.911</td>
<td>0.854</td>
<td>0.878</td>
<td>0.892</td>
</tr>
</tbody>
</table>

* USD per tonne, delivered to USA
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>$6</td>
</tr>
<tr>
<td>NBSK pulp price – US $10 change per tonne</td>
<td>$7</td>
</tr>
<tr>
<td>Fibre cost - C$2 change per oven-dried tonne</td>
<td>$5</td>
</tr>
<tr>
<td>Natural gas cost - $1 change per gigajoule</td>
<td>$4</td>
</tr>
</tbody>
</table>