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

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

1) Positive pulp market dynamics
2) Market leadership
3) High margin producer
4) Fibre supply advantage

Strong Financial Performance
Pulp Markets: Current Dynamics

► Softwood Producer Stocks at 30 days and Consumer stocks at 25 days ….. and are falling

World Chemical Market Pulp Producer Stocks
days of supply vs. normal range*

World Chemical Market Pulp Consumer Stocks
days of consumption vs. normal range*

Source: PPPC

► Net reduction in NBSK capacity, with more at risk

* Days of supply, corrected for seasonality; upper and lower limits are the average level plus, or minus one standard deviation.
Pulp Markets: Long-term NBSK Growth

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

Source: PPPC
Pulp Markets: Historical NBSK Prices

The floor for NBSK prices has increased

NBSK List Prices in $US Delivered to North America vs. Foreign Exchange
Leadership Position

Third largest producer of Northern Bleached Softwood Kraft Pulp (NBSK)
Largest seller of Northern Softwood Pulp (NSK)
Higher Mill Nets Achieved

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

Diversify Sales

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

Q4/2007

Cumulative Capacity

Nordic Countries
Western Europe
Eastern Europe
USA
Canada, BC Interior
Rest of Canada
Latin America
Rest of World

1 EUR = 1.458 USD
1 USD = 1.000 CAD
Efficient Operations

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

![Graph showing production increases over years](chart.png)
## Fibre Advantage: Abundant Supply

### Fibre Sources

<table>
<thead>
<tr>
<th></th>
<th>Normal</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canfor Sawmills</td>
<td>1.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Other Sawmills</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Whole-log chipping</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.5</strong></td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

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

Conifer Chips - Delivered Prices Q1 / 07 vs. Q1 / 08

- US South
- Australia
- Chile (roundwood)
- Canada West
- Spain
- New Zealand
- Brazil
- US Northwest
- Norway
- Canada East
- Germany
- Sweden
- Japan
- Finland (roundwood)

Resource: Wood Resources

NBSK Producing Region

Q1-08

Q1-07
## Financials: Strong Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></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>- <em>ebitda margin%</em></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>- <em>per unit</em></td>
<td>$0.61</td>
<td>$0.17</td>
<td>$0.68</td>
<td>$1.82</td>
</tr>
<tr>
<td><strong>C$ ave list pulp price (del to USA)</strong></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>

*Note: $ millions unless otherwise noted*
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</td>
</tr>
<tr>
<td>Current Assets</td>
<td>324.1</td>
</tr>
<tr>
<td>Fixed Assets &amp; Others</td>
<td>595.0</td>
</tr>
<tr>
<td>Total</td>
<td>942.0</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</td>
</tr>
<tr>
<td>Long-term Debt *</td>
<td>112.0</td>
</tr>
<tr>
<td>Equity</td>
<td>602.7</td>
</tr>
<tr>
<td>Total</td>
<td>942.0</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) Market leadership
3) High margin producer
4) Fibre supply advantage

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 (CFP:TSX)**
  - 100%
  - Canadian Forest Products Ltd.
    - 50.2%
    - 35,776,483 Class B Exchangeable LP Units

- **CANFOR PULP INCOME FUND (CFX.UN:TSX)**
  - 100%
  - CANFOR PULP TRUST
    - 100%
    - 35,493,542 Fund Units
      - 14,254,005 Class A LP Units
      - 21,239,537 Class B LP Units
      (representing 49.8% of all LP Units)

- **CANFOR PULP LIMITED PARTNERSHIP**
  - and
  - CANFOR PULP HOLDING INC.
    - (General Partner)
  - The Pulp Business
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

<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>4 Head Office - Vancouver</td>
<td>Kraft Paper</td>
</tr>
<tr>
<td>5 Canfor Pulp R&amp;D Centre - Vancouver</td>
<td>Pulp &amp; Paper</td>
</tr>
</tbody>
</table>
## 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><strong>Year Built</strong></td>
<td>1966</td>
<td>1968</td>
<td>1966</td>
</tr>
<tr>
<td><strong>No. of employees</strong></td>
<td>480</td>
<td>280</td>
<td>390</td>
</tr>
<tr>
<td><em><em>Capacity (ADMT</em>)</em>*</td>
<td>590,000</td>
<td>315,000</td>
<td>155,000 (pulp)</td>
</tr>
<tr>
<td><strong>Fibre consumed</strong></td>
<td></td>
<td></td>
<td>140,000 (paper)</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td>2-line pulp</td>
<td>1-line pulp</td>
<td>1-line pulp</td>
</tr>
<tr>
<td><strong>Markets</strong></td>
<td>North America, Europe &amp; Asia</td>
<td></td>
<td>North America &amp; Europe</td>
</tr>
<tr>
<td><strong>Products</strong></td>
<td>Bleached NBSK</td>
<td>Semi-bleached and Unbleached</td>
<td>Bleached and Unbleached</td>
</tr>
<tr>
<td><strong>Certification</strong></td>
<td></td>
<td>ISO 9001 and ISO 14001</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, thin-walled fibres. Provides for a better printing surface, better softness and better strength, which in turn commands a premium price.

Typical Fibre Dimensions

"Weight weighted lengths measured by Kajaani F8200"
Pulp Demand

World Chemical Pulp Demand
49 million tonnes

World Softwood Pulp Demand
23 million tonnes

NBSK Pulp Demand
14 million tonnes

10 yr Chemical Market Pulp Demand CAGR ~ 3.1%

Source: Pulp & Paper Products Council (Dec 2007)
Global NBSK Supply by Region (2006)

Canada 46%

Other 21%

Sweden 21%

Finland 12%

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>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>- Pulp</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>- Paper</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>**Pulp Prices * **</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>
<tr>
<td><strong>USD / CAD fx rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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>