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. In some instances, material assumptions are disclosed elsewhere in this presentation in respect of forward-looking statements. Other risks and uncertainties are detailed from time to time in reports filed by the Fund and/or CPPI 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 Fund, CPPI and the Partnership, their prospects and uncertainties relating to the Fund, CPPI and the Partnership. Although we believe that the expectations reflected by the forward-looking statements presented in this presentation are reasonable, these forward-looking 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 events and results, performance and achievements of the Fund, CPPI and the Partnership to be materially different from those contained in forward-looking statements. The forward-looking statements speak only as of the date on which such statement is made, are based on current information and expectations and the Fund, CPPI and the Partnership assume 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 Partnership’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 Partnership’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
  - Market pulp capacity of 1.1 million tonnes
  - Kraft paper capacity over 140,000 tonnes
  - Ownership*: Canfor Pulp Income Fund 49.8%
    Canfor Corporation 50.2%

► Canfor Pulp Products Inc. (CFX)
  - 35.5 million shares
  - Market capitalization approx. $500 million
  - 2010 YTD ~ 170,000 units trade on average per day
NBSK Market Pulp Supply by Company

Canfor Pulp: Largest Producer in North America / 3rd Largest Globally

- Canfor Pulp (PG) - Largest Producer in North America, 3rd Largest Globally

Chart showing capacity in '000 admt for various pulp producers, with Canadian Mills in green and International Mills in gray.
Sources of Competitive Advantage

- Fibre
- Investment
- Asset Base
State of the Industry
Global Chemical Market Pulp Demand

10 yr Chemical Market Pulp Demand CAGR ~ 2.3%

2009 World Chemical Pulp Demand
49 million tonnes

2009 World Softwood Pulp Demand
21.4 million tonnes

2009 NBSK Pulp Demand
11.9 million tonnes

Source: PPPC
Pulp Markets: Long-Term NBSK Growth

Historically demand has grown at 1-2% per year and over the long term will continue to do so. Supply reduced in reaction to demand.

World Bl. Softwood Demand vs Capacity

Source: PPPC
World Chemical Market Softwood Pulp Balance

Projected High Operating Rates

Source: PPPC
Pulp Markets: Historical NBSK Prices

NBSK List Prices in $US Delivered to North America vs. Foreign Exchange
- 2011 Forecast

NBSK, U.S. List Price (US$/admt)
NBSK, US List Price (C$/admt equivalent)
CDN $ Exchange Rate
Competitive Position
Global BSKP Cost Competitiveness – Poyry Consulting May, 2010

FX: $Cdn = $0.90 USD and $Euro = 1.35 USD

Production volume, 1000 t/a

USD$/ton

Rest of World
Latin America
Canada Eastern
Canada Prairie
BC Interior
BC Coast
USA
Eastern Europe
Eastern Europe
Western Europe

Northwood
Intercon
Prince George
Fibre Advantage - Low Cost

Conifer Chips - Delivered Prices Q3 / 10 vs. Q3 / 09

(1) Fibre Costs linked to price of pulp

** NBSK Producing Region
Canada West region includes BC Interior, BC Coast and Alberta

Resource: Wood Resources
### Fibre Advantage: Abundant Supply

#### Fibre Sources

<table>
<thead>
<tr>
<th>(million Odt's)</th>
<th>Normal</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canfor Sawmills (1)/(2)</td>
<td>1.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Other Sawmills (2)</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Whole-log chipping</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.5</strong></td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

1. Evergreen contract
2. Chip prices are linked to the price of pulp with a market adjustment consideration

---

Whole log chip requirements reduced in future.
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. This provides for a better printing surface, better softness and better strength, which in turn commands a premium return.

Typical Fibre Dimensions

"Weight weighted lengths measured by Kajaani FS 200"
Fibre Advantage
Leverage Quality into Higher Mill Nets by:

► Targeting Customers That Need Reinforcing Pulp
  - Printing & Writing
    • Magazines / Catalogues
  - Specialty
    • Adhesive labels (beer) / Masking tape
  - Tissue
    • Branded top quality “Use at-home” tissues
  - Commodity
    • Photocopy paper

► Diversifying Sales
  - Geographically balanced sales
Relative Competitive Position

EBITDA per tonne

<table>
<thead>
<tr>
<th>Year</th>
<th>CPLP</th>
<th>SFK</th>
<th>Mercer</th>
<th>WF</th>
<th>Catalyst</th>
<th>Tembec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2007</td>
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<td>2008</td>
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<tr>
<td>2009</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2010 Ytd</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2006 2007 2008 2009 2010 Ytd
Investment Plans
Green Transformation Program Update
Canada’s Green Transformation Program


► $1 Billion Dollar Cap

► Based on burning of “Black Liquor” (similar to US program)

► Qualifying Investments
  – An energy efficiency improvement and/or positively impact the use of renewable (alternate) energy or
  – Measureable environmental benefits along with at least energy use improvements

► Spending must be completed by March 31, 2012
Green Transformation Program

CPLP Awarded $122.2 million (12% of Program Funding)

**PG Pulp Mill Odour Reduction Project**  $ 11.2 MM
- Significant Odour & TRS Emission Reductions
- *NRCAN Approved June, 2010 / Q2, 2011 Start-up*

**Increased PGI Bio-Fuel Power Generation**  4.4 MM
- Increased Electricity Sales
- *NRCAN Approved June, 2010 / Q3 2010 Start-up*

**Northwood Recovery Upgrade**  107.5 MM
- Reduced Particulate & Odour Emissions + Reduced GHG
- *Approved November, 2010 / Q4, 2011 Start-up*

**Other Miscellaneous Projects (CPLP Funded)**  34.3 MM

Total  $ 157.4 MM
Energy Revenue Growth

"Future Power Sales Opportunities"

- Phase I GTP 2011-2013
- Phase II 2014-2016
## Financials: Strong Performance

<table>
<thead>
<tr>
<th>Canfor Pulp Limited Partnership</th>
<th>9 months Sept 2010</th>
<th>Year ended Dec 2009</th>
<th>Year ended Dec 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>735.0</td>
<td>816.7</td>
<td>844.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>171.4</td>
<td>61.8</td>
<td>116.9</td>
</tr>
<tr>
<td>- ebitda margin %</td>
<td>23%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Net Income</td>
<td>130.1</td>
<td>13.4</td>
<td>46.8</td>
</tr>
<tr>
<td>- per unit</td>
<td>$1.82</td>
<td>$0.19</td>
<td>$0.66</td>
</tr>
<tr>
<td>Distributable cash - per unit</td>
<td>$2.23</td>
<td>$0.43</td>
<td>$1.35</td>
</tr>
<tr>
<td>C$ ave list pulp price (del to USA)</td>
<td>992</td>
<td>820</td>
<td>914</td>
</tr>
<tr>
<td>Shipments - pulp (m tonnes)</td>
<td>766.7</td>
<td>1,044.6</td>
<td>932.8</td>
</tr>
<tr>
<td>Production - pulp (m tonnes) *</td>
<td>770.6</td>
<td>1,006.8</td>
<td>905.4</td>
</tr>
</tbody>
</table>

* Market pulp, excludes pulp used in internal paper production.
Financial Position

Maintain a strong balance sheet

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Sept 2010</th>
<th>Dec 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>360.6</td>
<td>286.4</td>
</tr>
<tr>
<td>Other</td>
<td>14.4</td>
<td>17.1</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>507.9</td>
<td>534.1</td>
</tr>
<tr>
<td>Total</td>
<td>882.9</td>
<td>837.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Sept 2010</th>
<th>Dec 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>164.1</td>
<td>140.2</td>
</tr>
<tr>
<td>Long-term Debt (1)</td>
<td>113.3</td>
<td>115.1</td>
</tr>
<tr>
<td>Other Long-term Liabilities (2)</td>
<td>55.3</td>
<td>53.2</td>
</tr>
<tr>
<td>Equity</td>
<td>550.2</td>
<td>529.1</td>
</tr>
<tr>
<td>Total</td>
<td>882.9</td>
<td>837.6</td>
</tr>
</tbody>
</table>

Long-term Debt / Debt & Equity = 0.171 0.179
Current Assets / Current Liabilities = 2.20 2.04

(1) US$ 110 million Notes
(2) Primarily Pension Obligations and Future Employee Benefits
Conservative Capital Structure

► Revolving Loan
  - C$40 million
  - Unsecured
  - Matures November 2011
  - Used to fund working capital fluctuations
  - Cash at Sept 30, 2010 $27.5 million

► Long-term Debt
  - US$110 million
  - Unsecured private placement notes
  - Fixed interest rate of 6.41%
  - Repayable in full on November 2013
  - Covenants:
    • Interest coverage > 2.5
    • Leverage ratio < 3.25
  - Agreement is posted on SEDAR (dated December 6, 2006)

► Covenant ratios in compliance throughout downturn
Sources of Competitive Advantage

► Fibre
  – Abundant, low cost, high quality

► Investment
  – Business maintenance, high payback, strategic

► Asset Base
  – Scale, proximity
Trust Conversion Implications
UNITHOLDERS

100%

CANFOR CORPORATION

100% of shares

CANFOR PULP INCOME FUND

100% of Trust Units and Trust Notes

CANFOR PULP TRUST

49.8% of LP Units

CANFOR PULP HOLDING INC.

50.2% of LP Units

CANFOR PULP LIMITED PARTNERSHIP

50.2% of LP Units

THE PULP BUSINESS

NEWCO SHAREHOLDERS
(Formerly Unitholders)

100%

CANFOR CORPORATION

100% of shares

CANADIAN FOREST PRODUCTS LTD.

50.2% of shares

CANFOR PULP PRODUCTS INC.

49.8% of shares

50.2% of shares

CANFOR PULP PRODUCTS INC.
Impact on Unit Holders

► Conversion from Trust to corporation with Units exchanged for shares on one-for-one basis

► Monthly Distributions replaced with Quarterly Dividend
Based on estimates of **full year** cash flow from operations after debt service and capital expenditures
- Low debt service costs ~ US$8 million
- Capital requirements to retain competitive cost structure
  - Maintenance capex ~ $10 - $15 million
  - Normal strategic capex ~ $15 - $20 million*

**Flow through from CPLP operations to unit holders for 2010**

**Conversion to corporation in 2011**
- Flow through from CPLP operations to corporation
- Corporate tax at 25-30%
- Residual after tax available for payment as dividend to shareholders
Investor Contact

► CFX

- Investor Contact

  Terry Hodgins  
  Chief Financial Officer & Secretary  
  604-661-5421  
  terry.hodgins@canforpulp.com

  Rick Remesch  
  Corporate Controller  
  604-661-5221  
  rick.remesch@canforpulp.com

- Canfor Pulp Products Inc.  
  230 - 1700 West 75th Avenue  
  Vancouver, BC  V6P 6G2

► www.canforpulp.com
Experienced Leadership

BOARD OF DIRECTORS

- Charles Jago, Chairman $^{1, 2, 3}$
- Peter J.G. Bentley $^{2, 3}$
- Stanley E. Bracken-Horrocks $^{1, 2}$
- Donald Campbell $^{1, 3}$
- Ronald L. Cliff $^{1, 3}$
- Joe Nemeth $^{4}$
- James F. Shepard $^{5}$
- William Stinson $^{1, 2}$

$^{1}$ Audit Committee
$^{2}$ Compensation Committee
$^{3}$ Governance Committee
$^{4}$ Canfor Pulp President & CEO
$^{5}$ Canfor Corp. President & CEO

SENIOR MANAGEMENT

- Joe Nemeth, President & CEO
- Terry Hodgins, CFO & Secretary
- Sean Curran, VP, Sales & Marketing
- Brett Robinson, VP, Operations
- Rick Cooper, General Manager, Fibre Supply
- Robert Dufresne, GM, Northwood Pulp Mill
- Rick Pingel, GM, Logistics & Procurement
- Martin Pudlas, GM, Prince George Pulp Mills & Specialty Paper
- Rick Remesch, Corporate Controller
- David Scott, GM, Human Resources
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>3 Prince George Pulp &amp; Paper</td>
<td>Kraft Paper</td>
</tr>
<tr>
<td>4 Head Office - Vancouver</td>
<td></td>
</tr>
<tr>
<td>5 Canfor Pulp R&amp;D Centre - Vancouver</td>
<td></td>
</tr>
</tbody>
</table>

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><strong>Year Built</strong></td>
<td>1966 / 1984</td>
<td>1968</td>
<td>1966</td>
</tr>
<tr>
<td><strong>No. of employees</strong></td>
<td>495</td>
<td>277</td>
<td>365</td>
</tr>
<tr>
<td><strong>Capacity (ADMT</strong>)**</td>
<td>590,000</td>
<td>315,000</td>
<td>155,000 (pulp)</td>
</tr>
<tr>
<td></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></td>
<td></td>
<td></td>
<td>1-line paper</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>Fibre consumed</strong></td>
<td></td>
<td>2.6 million</td>
<td></td>
</tr>
<tr>
<td>(Oven-dried tonne)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Certification</strong></td>
<td></td>
<td>ISO 9001 and ISO 14001</td>
<td></td>
</tr>
</tbody>
</table>

* Total of 1,200 employees. 75% are unionized with the labour agreements expiring April 2012

**Air-dried metric tonnes; tonne = metric ton = 2240 lbs
NBSK delivered to Northern Europe

Adjusted Forecast Average: US$940 / adm in 2010

PRICE FORECASTS
2010 Average of: $US 940 - 2011 Average of: $US 843
NBSK - Delivered to Northern Europe (adjusted 2011 to $0.98)
Markets: Supply and Demand by Region

NBSK Supply
~ 13.4 million tonnes

Canada: 43%
Finland: 23%
Sweden: 23%
Other: 11%

Chemical Market Pulp Demand
~ 49 million tonnes

Asia: 42%
Europe: 36%
NA: 7%
Other: 15%

Source: PPPC Dec 2009
1.4 NBSK Pulp Supply
2000 Canadian Market Softwood Pulp Capacity was 8 Million ADMT
1.4 NBSK Pulp Supply

2010 Canadian Capacity Running is now 6 Million ADMT

**MILLS RUNNING**

**MILLS DOWN SINCE 2007**

**RECENTLY RESTARTED**

1. Skeena
2. Campbell River
3. Gold River
4. Harmac - Nanaimo
5. Crofton
6. Port Mellon
7. Western Squamish
8. P&T - Mackenzie
9. Canfor Pulp 3 Mills
10. Cariboo Pulp - Quesnel
11. Kamloops
12. Mercer - Castlegar
13. Tembec - Skookumchuck
14. DMI - Peace River
15. Grand Prairie
16. ALPAC - Boyle
17. WF - Hinton
18. Prince Albert
19. Dryden
20. Thunder Bay
21. Terrace Bay
22. Smooth Rock Falls
23. Marathon
24. SFK - St. Félicien
25. Domtar Quevillion
26. Jonquiere
27. UPM Miramichi
28. Saint John, NB
29. Neenah - Pictou, NS
## Financials: Strong Earnings

### Selected Quarterly Partnership Financial Information

<table>
<thead>
<tr>
<th>$ millions unless otherwise noted</th>
<th>Q3-2010</th>
<th>Q2-2010</th>
<th>Q1-2010</th>
<th>Q4-2009</th>
<th>Q3-2009</th>
<th>Q2-2009</th>
<th>Q1-2009</th>
<th>Q4-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>247.9</td>
<td>247.6</td>
<td>239.5</td>
<td>220.2</td>
<td>202.0</td>
<td>205.0</td>
<td>186.3</td>
<td>186.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>63.6</td>
<td>63.7</td>
<td>44.1</td>
<td>27.3</td>
<td>25.1</td>
<td>7.2</td>
<td>2.2</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>- EBITDA %</strong></td>
<td>25.7%</td>
<td>25.7%</td>
<td>18.4%</td>
<td>12.4%</td>
<td>12.4%</td>
<td>3.5%</td>
<td>1.2%</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>54.5</td>
<td>43.1</td>
<td>32.5</td>
<td>15.2</td>
<td>18.3</td>
<td>1.5</td>
<td>(21.6)</td>
<td>(26.0)</td>
</tr>
<tr>
<td><strong>Adjusted Distributable Cash per Unit</strong></td>
<td>0.78</td>
<td>0.88</td>
<td>0.57</td>
<td>0.31</td>
<td>0.16</td>
<td>0.02</td>
<td>(0.06)</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Shipments (000 tonnes)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>- Pulp</strong></td>
<td>246.0</td>
<td>252.3</td>
<td>268.4</td>
<td>258.6</td>
<td>259.5</td>
<td>286.2</td>
<td>240.3</td>
<td>208.2</td>
</tr>
<tr>
<td><strong>- Paper</strong></td>
<td>33.6</td>
<td>34.4</td>
<td>37.7</td>
<td>38.1</td>
<td>37.4</td>
<td>34.3</td>
<td>25.2</td>
<td>24.4</td>
</tr>
<tr>
<td><strong>Pulp List Price Delivered to US (USD)</strong></td>
<td>1,000</td>
<td>993</td>
<td>880</td>
<td>820</td>
<td>733</td>
<td>645</td>
<td>673</td>
<td>787</td>
</tr>
<tr>
<td><strong>USD/CAD fx rate</strong></td>
<td>0.962</td>
<td>0.973</td>
<td>0.961</td>
<td>0.947</td>
<td>0.912</td>
<td>0.858</td>
<td>0.803</td>
<td>0.825</td>
</tr>
</tbody>
</table>

**EBITDA** = Earnings before interest, taxes, depreciation and other non-operating income and expenses

**Adjusted Distributable Cash** = Cash flow from operations excluding changes in working capital less capital expenditures, and interest.
Financials

Customers:
► Top 10 customers made up 49% of Sales
► Largest customer accounted for 13% of Sales
► Negligible bad debts in 10 years
  – Managed with letters of credit and credit insurance
  – Long-term relationships with top tier customers

Hedging:
► US$ working capital: lock-in FX rates when sale is made
Financials: Manufacturing Cost Components

- Fibre: 40%
- Labour: 25%
- Chemicals: 15%
- Supplies: 20%

- Fixed: 50%
- Variable: 50%
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>$6</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>