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 of Canfor Pulp

**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 Products Inc. 49.8%
  - Canfor Corporation 50.2%

**Canfor Pulp Products Inc. (CFX)**
- 35.5 million shares
- Market capitalization approx. $450 million
- 2011 ≈ 112,000 shares trade on average per day
Operations Located in North Central BC

<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>

Fibre Supply Area
Sources of Competitive Advantage

- Fibre
- Investment
- Asset Proximity
State of the Industry
NBSK Market Pulp Supply by Company

Capacity in '000 admt

Canadian Mills
International Mills

Sodra Cell
Metsa Botnia / UPM
Mercer
CPLP
Stora Enso
Ille
Domtar
APP
West Fraser
Weyerhaeuser
Harmac
Tembec

CANFOR PULP PRODUCTS INC.
Global Chemical Market Pulp Demand

10 yr Chemical Market Pulp Demand CAGR ~ 2.7%

World Chemical Pulp Demand
51.8 million tonnes

World Softwood Pulp Demand
22.8 million tonnes

NBSK Pulp Demand
13.4 million tonnes

Source: PPPC, Nov 2011
Pulp Markets: Steady Long-Term NBSK Growth

Historically demand has grown at 2.7% per year and expected to grow at approximately 2% per year in the future.

Source: PPPC
World Chemical Market Softwood Pulp Markets Expected to be Balanced…

Source: PPPC
NBSK List Prices Peaked in Summer 2011

NSBK Delivered to North America vs. Foreign Exchange - to December 2011

- CDN $ Exchange Rate
- NBSK, U.S. List Price (US$/admt)
- NBSK, US List Price (C$/admt equivalent)
Competitive Position
Relative Cost Position - Poyry Consulting Cost Curve Estimates

Global BSKP Cost Competitiveness

1 CAD = 1 USD = 1.38 EUR

Source: Poyry
Strategic Advantage: Secure Fibre Supply

► Normally purchase 1.4mm tonnes of fibre (roughly 55% of its needs) from Canfor at prevailing market prices

► 1.2mm tonnes purchased through fibre supply agreements with other firms

► All contracts based on similar market pricing formula

Note: Canfor’s lumber mills control more than 14 million cubic meters of allowable annual cut (AAC) in British Columbia and Alberta and produce total of 2.4 mm tonnes of chips in BC.
Not all pulps are the same: Northern spruce and pine fibre grown in the central interior of British Columbia are recognized as one of the strongest in the world due to the long, slender, thin-walled fibres. This provides for higher strength, a better printing surface and better softness, which in turn commands a premium return.

**Typical Fibre Dimensions**

<table>
<thead>
<tr>
<th>Fibre Type</th>
<th>Wall Thickness (microns)</th>
<th>Diameter (microns)</th>
<th>Length (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal Douglas Fir</td>
<td>4.0</td>
<td>42</td>
<td>37</td>
</tr>
<tr>
<td>Hemlock</td>
<td>2.7</td>
<td>38</td>
<td>37</td>
</tr>
<tr>
<td>Radiata Pine</td>
<td>4.0</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Spruce/Pine</td>
<td>2.2</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Western Red Cedar</td>
<td>1.6</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Birch</td>
<td>3.5</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Eucalyptus (Typical)</td>
<td>3.4</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*Weight weighted lengths measured by Kajaani FS200*
Fibre Advantage
Leverage Quality into Higher Mill Nets by:

► Targeting Customers That Need Reinforcing Pulp
  – Specialty
    • Décor, Masking tape base, Abrasive backing, Labels
  – Printing & Writing
    • Magazines / Catalogues
  – Tissue
    • Branded top quality lightweight tissue
  – Commodity
    • Photocopy paper

► Geographically Diversifying Sales

2011 Sales
- Asia 51%
- Americas 32%
- Europe 17%

2011 Sales
- P&W 30%
- Specialty 40%
- Tissue 24%
- Commodity 6%
Investment Plans

Green Transformation Program Update
Green Transformation Program
$168 Million of Investment ($122 million GTP Funded)

► Increased PGI Bio-Fuel Power Generation (Q4, 2010 Start-Up)
  – Increased Electricity Sales

► PG Pulp Mill Odour Reduction Project (Q2, 2011 Start-up)
  – Significant Odour & TRS Emission Reductions

► Northwood Recovery Upgrade (Q4, 2011 Start-up)
  – Reduced Particulate & Odour Emissions + Reduced GHG

► PG Pulp Mill Boiler Feed Water Treatment (Q3, 2012 Start-up)
  – Improve Effluent Emission and Increase Energy Sales
Energy Revenue Growth

"Future Power Sales Opportunities"

- 2008: Currently
- 2010: Phase I GTP
- 2011-2013: Phase II
- 2014-2016: Phase II 2014-2016
Asset Base Proximity

Proximity of our 3 pulp mills provides the unique opportunity to capture many of the operating advantages of one large standalone mill:

- Excess Capacity in one mill can offset a bottleneck in another
  - Eg: Most capital intensive asset: Recovery Boiler
- Common support services can be combined
  - Eg: Management & Administration, Maintenance

Resulting in

Higher productivity and lower costs
EBITDA per tonne vs Canadian Competitors
CPLP has averaged $67 / tonne above the average Canadian competitor

North America - EBITDA per tonne
# Financials – Canfor Pulp Limited Partnership

<table>
<thead>
<tr>
<th>C$ millions unless otherwise noted</th>
<th>YTD Q3 (unaudited)</th>
<th>2010 (2)</th>
<th>2009(2)</th>
<th>2008(2)</th>
<th>2007(2)</th>
<th>2006(2)(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>728.3</td>
<td>1,001.1</td>
<td>813.5</td>
<td>825.5</td>
<td>921.6</td>
<td>830.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180.4</td>
<td>230.0</td>
<td>61.8</td>
<td>116.9</td>
<td>188.5</td>
<td>180.2</td>
</tr>
<tr>
<td>ebitda margin%</td>
<td>24.8%</td>
<td>23.0%</td>
<td>7.6%</td>
<td>14.2%</td>
<td>20.5%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Net Income</td>
<td>122.8</td>
<td>178.0</td>
<td>13.4</td>
<td>46.8</td>
<td>129.8</td>
<td>123.0</td>
</tr>
<tr>
<td>per unit</td>
<td>$1.72</td>
<td>$2.50</td>
<td>$0.19</td>
<td>$0.66</td>
<td>$1.82</td>
<td>$1.73</td>
</tr>
<tr>
<td>C$ ave list pulp price (del to USA)</td>
<td>974</td>
<td>989</td>
<td>820</td>
<td>914</td>
<td>885</td>
<td>817</td>
</tr>
<tr>
<td>Net Debt/Equity (4)</td>
<td>0.17</td>
<td>0.09</td>
<td>0.19</td>
<td>0.30</td>
<td>0.18</td>
<td>0.17</td>
</tr>
</tbody>
</table>

(1) 2011 results are based on IFRS  
(2) 2006 through 2010 results are based on previous Canadian GAAP prior to implementation of IFRS  
(3) 1st half of 2006 included on a carve-out basis from Canadian Forest Products. See 2006 and 2007 Annual Reports for more detail.  
(4) Net debt consists of long-term debt and operating loans, net of cash and cash equivalents
Sources of Competitive Advantage

Fibre

Investment

Competitive Advantage

Asset Proximity
Investor Contact

**Canfor Pulp Products Inc.**

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

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

**Address:**
230 - 1700 West 75th Avenue
Vancouver, BC  V6P 6G2
www.canforpulp.com

**Trading Symbol:**  CFX-T
Appendices
**Experienced Leadership**

### Board of Directors

- Peter J.G. Bentley ⁴, ⁵
- Stanley E. Bracken-Horrocks ³, ⁴
- David Calabrito
- Donald Campbell ⁵
- Ronald L. Cliff ², ³, ⁵
- Charles Jago ¹, ³, ⁴, ⁵
- Michael Korenberg ³
- Joe Nemeth ⁶
- William Stinson ³, ⁴

¹ Canfor Pulp Products Inc. – Chairman  
² Canfor Pulp Holding Inc. – Chairman  
³ Audit Committee  
⁴ Compensation Committee  
⁵ Governance Committee  
⁶ Canfor Pulp President & CEO

### Senior Management

- Joe Nemeth, *President & CEO*
- Terry Hodgins, *CFO & Secretary*
- Brett Robinson, *Executive VP, Operations*
- Onkar Athwal, *VP, Human Resources*
- Sean Curran, *VP, Sales & Marketing*
- 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*
Conversion - Structure

As of March 16, 2010

- CANFOR CORPORATION
  - 100% of shares
- CANADIAN FOREST PRODUCTS LTD.
  - 50.2% of shares
- CANFOR PULP HOLDING INC.
  - 50.2% of LP Units
  - 49.8% of shares
  - 49.8% of LP Units
  - 0.001% LP Interest
- CANFOR PULP LIMITED PARTNERSHIP
  - 50.2% of LP Units
- THE PULP BUSINESS

As of January 1, 2011

- CANFOR CORPORATION
  - 100% of shares
- CANADIAN FOREST PRODUCTS LTD.
  - 50.2% of shares
  - 49.8% of shares
- CANFOR PULP HOLDING INC.
  - 50.2% of LP Units
  - 0.001% LP Interest
- CANFOR PULP LIMITED PARTNERSHIP
  - 50.2% of LP Units
- THE PULP BUSINESS

NEWCO SHAREHOLDERS (Formerly Unitholders)

- CANFOR PULP PRODUCTS INC.
Fibre Advantage - Low Cost

Conifer Chips - Delivered Prices Q4 / 09 vs. Q4 / 10

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

Resource: Wood Resources

Q4-10  Q4-09
NBSK Pulp Supply
2000 Canadian Market Softwood Pulp Capacity was > 8 Million ADMT

1. Skeena
2. Campbell River
3. Gold River
4. Harmac - Nanaimo
5. Crofton
6. Port Mellon
7. Western Squamish
8. 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. Jonquière
27. UPM Miramichi
28. Saint John, NB
29. Northern Pulp NS- Pictou, NS
NBSK Pulp Supply
2012 Canadian Capacity Running is now < 6 Million ADMT

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
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21. Terrace Bay
22. Smooth Rock Falls
23. Marathon
24. SFK - St. Félicien
25. Domtar Quevillion
26. Jonquières
27. UPM Miramichi
28. Saint John, NB
29. Neenah - Pictou, NS