

Canfor Pulp Income Fund Provides Tax Information for 2006 Distributions

March 19, 2007 – Vancouver, B.C. – Canfor Pulp Income Fund (the “Fund”) (TSX:CFX.UN) today reported the tax information for cash distributions declared in 2006 to unitholders resident in Canada and United States.

Unitholders are strongly encouraged to consult with their tax advisors with respect to their particular circumstances.

Canadian Tax information for Unitholders resident in Canada

The following information is based on the Fund’s understanding of the *Income Tax Act (Canada)* and regulations thereunder, and is provided for general information only.

For unitholders holding their Fund units within an RRSP, RRIF, RESP or DPSP (collectively Deferred Plans), no amounts of distributions received from the Fund are required to be reported for tax purposes.

Unitholders, who held their Fund units outside Deferred Plans through a broker or other intermediary, will receive “T3 Supplementary” slips directly from their broker or intermediary, not from the transfer agent of the Fund. The full amount (100%) of the distributions declared by the Fund in 2006 are taxable as income. Details of the distributions declared are shown in the table below:

Record Date	Payment Date	Total Cash Distribution Cdn\$ per Fund unit	Taxable Amount Other Income Cdn\$ per Fund unit
July 31, 2006	August 15, 2006	\$0.12	\$0.12
August 31, 2006	September 15, 2006	\$0.12	\$0.12
September 30, 2006	October 13, 2006	\$0.20	\$0.20
October 30, 2006	November 15, 2006	\$0.20	\$0.20
November 30, 2006	December 15, 2006	\$0.24	\$0.24
December 29, 2006	January 15, 2007	\$0.36	\$0.36

Tax information for Unitholders resident in the United States

The Fund believes that all distributions declared in 2006 are considered foreign-source dividend income under U.S. federal income tax principles. Providing that applicable holder-level requirements are met, these distributions are “qualified dividends” eligible for taxation at reduced rates under U.S. federal income tax legislation. However, the Fund has not received an IRS letter ruling regarding this matter and the individual taxpayers must consider their situation before making this determination.

Generally, distributions payable to non-residents of Canada are normally subject to a withholding tax of 25% as prescribed by the *Income Tax Act (Canada)*. However, the withholding tax rate for residents of the United States is prescribed at 15% in accordance with the Canada – U.S. income tax treaty. U.S. taxpayers may be eligible for a foreign tax credit with respect to Canadian withholding taxes paid.

About Canfor Pulp Income Fund

The Fund is an unincorporated, open-ended trust established under the laws of Ontario, created to indirectly acquire and hold an interest in the Canfor Pulp Limited Partnership (the "Partnership"). The Fund indirectly holds a 49.8% interest in the Partnership with Canadian Forest Products Ltd. (a subsidiary of Canfor Corporation) holding the remaining 50.2% interest.

For more information about Canfor Pulp Income Fund and the Partnership, please visit www.canforpulp.com.

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