

September 20, 2010

Canfor Pulp Income Fund Announces Increase in Monthly Distribution

Vancouver, B.C. - Giving consideration to the accumulated undistributed cash generated by Canfor Pulp Limited Partnership (the "Partnership") during 2010 and the Partnership's current projection of pulp prices for the remainder of the year, Canfor Pulp Income Fund (the "Fund") (TSX:CFX.UN) announced today an increase in the monthly cash distribution to \$0.25 per Fund unit.

Accordingly, the Fund has declared a cash distribution of \$0.25 per Fund unit for the month of September 2010, to be paid on October 15, 2010 to unitholders of record at the close of business on September 30, 2010.

Forward Looking Statements

Certain statements in this press release 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 particular, material forward-looking statements in this press release include the expected effective date of the Arrangement. In some instances, material assumptions are disclosed elsewhere in this press release in respect of forward-looking statements. Other risks and uncertainties are detailed from time to time in reports filed by the Fund with the securities regulatory authorities in all of the provinces and territories of Canada to which recipients of this press release are referred to for additional information concerning the Fund and Partnership, its prospects and uncertainties relating to the Fund and Partnership and its prospects. Although we believe that the expectations reflected by the forward-looking statements presented in this press release 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 and 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 and Partnership assume to obligation to update such information to reflect later events or developments, except as required by law.

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. The unitholders have approved the conversion of the Fund to a corporation effective January 1, 2011.

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

For further information:

Terry Hodgins
Chief Financial Officer and Secretary
Ph: 604-661-5421
Terry.Hodgins@canforpulp.com