

June 1, 2012

## **CANFOR PULP PRODUCTS INC. ANNOUNCES PRODUCTION CURTAILMENT**

Vancouver, B.C. - Canfor Pulp Products Inc. (the "Company") (TSX:CFX) announces today that production at the Canfor Pulp Limited Partnership's (the "Partnership") Northwood Pulp Mill has been curtailed to investigate a failure in one of its two recovery boilers. There were no injuries reported in the incident but the number one recovery boiler has been shutdown to determine the cause of the malfunction. As a result, only one of the two production lines in the mill is currently operating.

The cost of repair and the duration of curtailment cannot be reliably determined until a detailed inspection of the facility is completed. However, based on a preliminary review, it is estimated that the curtailment will be for at least a three week duration with an estimated reduction in production of NBSK pulp of approximately 25,000 tonnes.

To mitigate the impact of the incident, management intends to continue operation of the second production line at the mill and will advance certain mill maintenance activities previously scheduled to be performed during a planned mill shutdown in September. Production at the Partnership's Intercontinental Pulp Mill and Prince George Pulp and Paper Mill is not affected by the curtailment at Northwood.

Due to mitigation efforts by the Company, including property damage and business interruption insurance coverage, the curtailment is not expected to have a material impact on the financial condition of the Company or the Partnership.

### **About Canfor Pulp Products Inc.**

Canfor Pulp Products Inc. ("CPPI") is the successor to the Canfor Pulp Income Fund (the "Fund") following the completion of the conversion of the Fund from an income trust structure to a corporate structure by court approved plan of arrangement under the Business Corporations Act (British Columbia) (the "BCBCA") on January 1, 2011 (the "Conversion"). The Conversion involved the exchange, on a one-for-one basis, of all outstanding Fund Units for common shares of CPPI ("CPPI Shares"). Upon completion of the Conversion, on January 1, 2011, the unitholders of the Fund became the sole shareholders of CPPI which became sole owner of all of the outstanding Fund Units.

Immediately following the conversion, the Fund was wound up, CPPI received all of the assets and assumed all of the liabilities of the Fund and CPPI became the direct holder of the 49.8% interest in the Partnership previously held by the Fund. On March 2, 2012, CPPI increased its Partnership interest to 100%.

For more information about CPPI and the Partnership, please visit [www.canforpulp.com](http://www.canforpulp.com).

### **About Canfor Pulp Limited Partnership**

The Partnership is a limited partnership formed on April 21, 2006, under the laws of Manitoba to acquire and carry on the Northern Bleached Softwood Kraft ("NBSK") pulp and paper business of Canfor. The business consists of two NBSK pulp mills and one NBSK pulp and paper mill located in Prince George, BC and a marketing group based in Vancouver, BC.

### **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. The risks and uncertainties are detailed from time to time in reports filed by CPPI 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 CPPI and Partnership, its prospects and uncertainties relating to CPPI and Partnership and its prospects. In particular, material forward-looking statements in this press release include the expected date of closing of the exchange. This statement and other 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, results, performance and achievements of CPPI and Partnership to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and CPPI and Partnership assume no obligation to update such information to reflect later events or developments, except as required by law.*

### **For further information contact:**

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

Richard Remesch  
Corporate Controller  
Ph. 604-661-5221  
Rick.Remesch@canforpulp.com