



For Immediate Release

## COMPLETION OF EXCHANGE OF UNITS FOR SHARES OF CANFOR PULP PRODUCTS INC.

Vancouver, British Columbia, March 2, 2012 - Further to disclosure requirements of applicable securities laws, Canadian Forest Products Ltd. (the "Purchaser"), located at Suite 100 – 1700 West 75<sup>th</sup> Avenue, Vancouver, BC V6P 6G2, a wholly owned subsidiary of Canfor Corporation ("Canfor"), acquired on March 2, 2012, 35,776,483 common shares ("Common Shares") of Canfor Pulp Products Inc. ("CPPI") in exchange for 35,776,483 Class B Exchangeable LP Units of Canfor Pulp Limited Partnership (the "Partnership") and 35,776,483 common shares of Canfor Pulp Holding Inc. ("Canfor Holding") held by the Purchaser, pursuant to the terms of an Exchange Agreement made as of January 1, 2011 among the Purchaser, CPPI, Canfor Holding and the Partnership (the "Transaction").

As a result of the Transaction, the Purchaser owns and controls 35,776,483 Common Shares, representing approximately 50.2% of the issued and outstanding Common Shares of CPPI. The Common Shares acquired by the Purchaser under the Transaction are valued at \$13.35 per Common Share.

The Purchaser is not acting jointly or in concert with any person in connection with the ownership of or control over the Common Shares. The Transaction was made for investment purposes. Presently, the Purchaser has no intention of acquiring any further securities of CPPI. The Purchaser may acquire ownership of or control over further securities of CPPI in the future depending upon market circumstances. Such increase in ownership will depend on numerous conditions, including the price of the Common Shares and general market conditions.

### 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", "projects", "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. These statements are based on management's current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and Canfor and the Purchaser assume no obligation to update such information to reflect later events or developments, except as required by law.

***Canfor is a leading integrated forest products company based in Vancouver, British Columbia (BC) with operations in BC, Alberta, Quebec, Washington State, and North and South Carolina. Canfor produces primarily softwood lumber and also produces oriented strand board (OSB), remanufactured lumber product, bleached chemi-thermo-mechanical pulp and specialized wood products. Canfor also owns a 50.2% interest in Canfor Pulp Products Inc., which is one of the largest producers of northern softwood kraft pulp in Canada and a leading producer of high performance kraft paper. Canfor shares are traded on the Toronto Stock Exchange under the symbol CFP.***

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