

For Immediate Release

November 28, 2012

CANFOR TO SELL SHARES IN PEACE VALLEY OSB JOINT VENTURE TO LP

Vancouver, British Columbia, Canada. – Canfor Corporation (TSX: CFP) announced today that it has entered into a Letter of Intent with Louisiana-Pacific Corporation (NYSE: LPX) to sell Canfor's 50 percent share in the Peace Valley Oriented Strand Board (OSB) joint venture in Fort St. John, B.C. By completing this sale, LP will become the sole owner of the Peace Valley OSB mill.

"This transaction is part of Canfor re-profiling our assets to focus on lumber, pulp and paper manufacturing" stated Canfor President and Chief Executive Officer Don Kayne. "We have enjoyed a very positive relationship with LP and will continue to provide fibre resource management for the Peace Valley facility."

The purchase price is estimated at \$75 million CDN including working capital. In addition, Canfor may receive additional annual consideration over a 3 year period based on Peace Valley OSB's annual EBITDA.

Canfor and LP currently jointly run the mill, with LP providing operational support while Canfor provides labour, fibre resource management and administrative services. Canfor will continue to provide fibre resource management and temporarily provide administrative services during the transition.

The completion of this transaction is expected to occur by the end of this year, but is subject to the parties executing a definitive agreement and customary regulatory approvals.

The Peace Valley mill has an annual production capacity of 820 million square feet of OSB. It currently operates three shifts with plans to add a fourth shift in the first quarter of 2013 depending on 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

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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, 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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Media Contact:

Christine Kennedy
Vice President, Public Affairs &
Corporate Communications
(604) 661-5225
Christine.Kennedy@canfor.com

Investor Contact:

Pat Elliott
Vice President & Treasurer
(604) 661-5441
Patrick.Elliott@canfor.com