

For Immediate Release

## CANFOR ANNOUNCES CAPITAL INVESTMENTS IN KOOTENAY SAWMILL OPERATIONS

April 26, 2012 – Vancouver, B.C. – Canfor Corporation (TSX:CFP) announced today that the Company will be proceeding with capital improvement projects totalling approximately \$40 million in its sawmill facilities in the Kootenay region of British Columbia (B.C.). These investments represent the first major component of a multi-year capital investment program, aimed at enhancing productivity and cost performance in Canfor's BC Southern Interior mill facilities.

The investments announced today are concentrated on the Radium Sawmill, located in the community of Radium Hot Springs, B.C. Approximately \$38.5 million will be invested in a new planer facility, the installation of a biomass energy system and modifications to the existing sawmill. The balance will be invested at the company's Canal Flats sawmill to improve drying capacity.

"These investments are critical to support the restart of our Radium division, which was indefinitely closed in May 2009," said Don Kayne, Canfor President and CEO. "The fibre in the Kootenay region is amongst the best in the world, and these investments will secure our ability to make top-quality products here to supply global markets."

The capital project at the Radium mill will commence in May 2012, with start up anticipated in the fourth quarter.

### 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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For further information, please contact:

**Media Contact:**  
Christine Kennedy

**Investor Contact:**  
Pat Elliott

Director, Public Affairs &  
Corporate Communications  
Direct line (604) 661-5225  
Christine.Kennedy@canfor.com

Vice President and Treasurer  
Direct line (604) 661-5441  
Patrick.Elliott@canfor.com