

News Release



For Immediate Release

CANFOR COMPLETES PURCHASE OF TEMBEC'S BC SOUTHERN INTERIOR WOOD PRODUCTS ASSETS

March 23, 2012 - Canfor announced today that further to its news release of November 28, 2011, it has completed the acquisition of the Tembec Industries Ltd. ("Tembec") southern British Columbia interior wood products assets consisting of the Elko and Canal Flats sawmills and approximately 1.1 million cubic metres of combined Crown, private land and contract annual allowable cut. The transaction includes a long term residual fibre supply agreement for Tembec's Skookumchuck mill.

"Canfor is pleased to welcome the former Tembec employees into the Canfor family and is looking forward to continuing the development of strong community and First Nations relationships" said Don Kayne, President and CEO of Canfor. "This acquisition strengthens Canfor's fibre position in BC while meeting the increasing needs of our highly valued global customers" said Mr. Kayne.

The additional sawmill production will add approximately 420 million board feet to Canfor's annual capacity bringing Canfor's total capacity to more than 5 billion board feet. Canfor intends to make capital investments in excess of \$50 million in the southern BC mill facilities over the next few years.

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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