

Canfor Pulp Income Fund Announces Issuance of Units and Closing of Debt Financing

December 1, 2006 – Vancouver, B.C. – Canfor Pulp Income Fund (the "Fund")(TSX:CFX.UN) announced today that it completed the issuance of 21,239,537 Fund Units on November 30, 2006 in connection with the exercise by Canadian Forest Products Ltd. of its right to exchange Class B Exchangeable Limited Partnership Units of Canfor Pulp Limited Partnership (the "Partnership") for Fund Units. The exchange was a result of Canfor Corporation's dividend-in-kind to its shareholders announced by Canfor on October 29, 2006. Following completion of this exchange, there are a total of 35,493,542 Fund Units issued and outstanding, and the Fund indirectly holds a total of 35,493,542 units of the Partnership, representing 49.9% of the total number of issued and outstanding units of the Partnership.

Also, on November 30, 2006, the Partnership completed a debt financing by private placement to institutional investors in the United States of US\$110 million of unsecured notes (the "Notes"). The Notes bear interest at 6.41% and are repayable in full on their maturity date of November 30, 2013. The Partnership also entered into a \$75 million syndicated unsecured revolving credit facility (the "Revolving Facility"). As previously disclosed, in connection with the Partnership's acquisition of its business in July 2006, Canadian Forest Products Ltd. provided the Partnership with financial support by accepting a \$125 million promissory note and providing the Partnership with an interim revolving credit facility, both of which were to be repaid no later than December 31, 2006. The proceeds from the issuance of the Notes have been used to repay the amounts outstanding under the promissory note and the Revolving Facility will be used to retire the interim revolving credit facility prior to December 31, 2006.

About Canfor Pulp Income Fund

The Fund is an unincorporated, open-ended trust established under the laws of the Province of Ontario, created to indirectly acquire and hold an interest in the Canfor Pulp Limited Partnership (the "Partnership"). Currently the Fund indirectly holds a 49.9% interest in the Partnership with Canadian Forest Products Ltd. (a subsidiary of Canfor Corporation) holding the remaining 50.1% interest.

For more information about Canfor Pulp Income Fund and the Partnership, please visit www.canforpulp.com.

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The Notes offered in the private placement have not and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933.

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 the Fund 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 the Fund, its prospects and uncertainties relating to the Fund and its prospects. These 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 results, performance and achievements of the Fund to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and the Fund assumes no obligation to update such information to reflect later events or developments, except as required by law.