

CANFOR PULP INCOME FUND ANNOUNCES FIRST QUARTER 2007 RESULTS AND AN INCREASE IN MONTHLY DISTRIBUTIONS

May 1, 2007 – Vancouver, B.C. – Canfor Pulp Income Fund (the “Fund”) (TSX:CFX.UN) announced today its first quarter 2007 results as well as the results of Canfor Pulp Limited Partnership (the “Partnership”) in which the Fund has a 49.8% ownership.

The Partnership reported sales of \$238.2 million and net income of \$48.6 million, or \$0.68 per unit, for the quarter ended March 31, 2007. These results are similar to the fourth quarter of 2006, reflecting improvements in NBSK pulp market pricing and benefits of a weaker Canadian dollar, offset by moderately higher fibre costs, lower production due to scheduled maintenance downtime and higher administration costs. The first quarter 2007 results are significantly better than the prior year quarter primarily due to higher pulp pricing, partially offset by higher fibre costs and scheduled maintenance downtime.

Based on the Partnership’s results, the Fund earned net income of \$24.2 million, or \$0.68 per Fund unit, in the first quarter of 2007.

The Partnership generated distributable cash of \$51.9 million, or \$0.73 per unit, during the first quarter, which compares to \$56.9 million, or \$0.80 per unit in the fourth quarter of 2006.

The Partnership’s NBSK pulp production during the quarter was 4,800 tonnes lower than in the prior quarter as the Intercon and Prince George Pulp mills had scheduled maintenance downtime during the quarter, with no maintenance downtime in the prior quarter. In addition, Intercon had a sudden equipment rupture, which reduced production and required the mill to produce unbleached pulp for several days. The effect of this malfunction was more than offset by the Northwood pulp mill producing at a record pace during the quarter.

Fibre costs continued to increase during the quarter due to two factors: higher pulp sales returns directly resulted in an increase in residual chip prices and production curtailments by sawmills in the BC Interior continued to create additional price pressure due to the reduced chip supply. The Partnership augmented its fibre supply by obtaining roundwood chips from two external facilities during the quarter.

The strike action by Canadian National Railway’s (CN) labour union in February created many logistical challenges as the Partnership struggled to maintain deliveries to its customers, using truck deliveries in some instances and storing pulp in several locations. In addition congestion in Vancouver ports further disrupted delivery schedules. Pulp shipments during the quarter were about 6,000 tonnes below production due to these delivery disruptions.

Prices for NBSK pulp continued to increase in all markets during the quarter, with list prices at the end of the quarter at US\$760 for delivery to Northern Europe and US\$790 for the United States. Commenting on the market conditions, Paul Richards, President and CEO of the Partnership said: “the NBSK pulp market remains strong and the announced April price increases are being absorbed by the market. The inventories in the market appear low and the upcoming normal scheduled maintenance downtimes by producers will maintain tight market conditions.”

The Fund also announced that it will increase its monthly distributions to \$0.18 per Fund unit effective for its May distribution, which will be paid on June 15, 2007 to unitholders of record at the close of business on May 31, 2007. Previously, monthly distributions were at the rate of \$0.14 per Fund unit.

The Fund declares distributions on a monthly basis with the record date on the last day of each month and payable within the 15 days following. These monthly distributions are intended to be equal to the monthly distributions of the Partnership on which they are dependent. The Partnership’s cash distributions are based on estimates of cash flow from operations, less capital spending and a reserve for

future major capital expenditures. The Partnership periodically reviews the level of its cash distributions, taking into account current and expected future performance and cash flow requirements.

SUMMARY OF SELECTED PARTNERSHIP RESULTS

(millions of dollars, except for per unit amounts, unaudited)	Q1 2007	Q4 2006	Q1 2006
Sales ¹	238.2	225.2	195.5
EBITDA ^{1,2}	60.1	58.1	32.2
Operating income ¹	48.0	45.5	19.7
Net income	48.6	44.8	20.4
Per Partnership unit, basic and diluted			
Net income	0.68	0.63	0.29
EBITDA ¹	0.84	0.82	0.45
Average Canadian/US exchange rate ³	0.854	0.878	0.866

Notes: ¹ Comparative figures have been reclassified to conform to current year presentation

² For calculation of EBITDA, see supplementary financial information on pg. 7

³ Source – Bank of Canada (average noon rate for the period)

EBITDA for the first quarter of 2007 increased by \$2.0 million from the previous quarter and \$27.9 million when compared to the first quarter of 2006. NBSK pulp prices remained strong, with realized prices in Canadian dollar terms increasing by 6% quarter over quarter and by 25% when compared to the same quarter a year ago. Offsetting the favourable market conditions were higher costs for fibre, lower production due to scheduled maintenance downtime at the Intercon and Prince George Pulp mills and higher corporate administration costs for the 2006 salaried employees incentive program.

During the first quarter of 2007 the Partnership adopted new accounting pronouncements applying to financial instruments, the effect of which is to reflect in income the revaluation of all outstanding derivative instruments along with a change in accounting policy for defined benefit pension plans and deferred financing costs (see note 3 to the Partnership's financial statements). Also in the first quarter of 2007, the Partnership recorded non-operating income of \$2.2 million relating to outstanding commodity swaps hedging future natural gas purchases. There were no similar amounts in prior quarters since the new accounting rules were adopted on a retroactive basis without restatement of prior periods.

OPERATING RESULTS BY BUSINESS SEGMENT

Pulp

(millions of dollars, unless otherwise noted, unaudited)	Q1 2007	Q4 2006	Q1 2006
Sales ¹	207.7	194.3	167.4
EBITDA ¹	63.8	58.9	33.4
EBITDA margin ¹	31%	30%	20%
Operating income ¹	52.8	47.3	22.0
Average pulp list price – US \$ (per tonne, delivered to Northern Europe)	757	730	618
Average pulp list price in Cdn \$	886	831	714
Production – pulp (000 mt)	258.9	263.7	266.4
Shipments – Partnership-produced pulp (000 mt)	253.1	249.8	255.7
<i>Marketed on behalf of HSLP & Canfor (000 mt)</i>	132.6	128.3	146.2

Note: ¹ Comparative figures have been reclassified to conform to current year presentation

First quarter 2007 operating income of the pulp segment increased by \$5.5 million from the previous quarter and \$30.8 million when compared to the same quarter in the prior year. The benefit of improved NBSK prices, a weaker Canadian dollar and higher sales volumes were partially offset by higher fibre costs and lower production volumes. Higher fibre costs are due to increases in pulp mill sales returns, to which they are tied and also due to reduced residual chip supply as a result of lower production from sawmills in the BC Interior. When compared to the prior year, the benefit of a 25% increase in Canadian dollar realized price was partially offset by lower sales volumes and higher fibre costs.

Operations

NBSK production during the first quarter was 4,800 tonnes below the fourth quarter of 2006 and 7,500 tonnes lower than the first quarter of 2006. The decrease was primarily the result of scheduled maintenance downtime, which totalled approximately 8,500 tonnes of lost production when compared to the fourth quarter and the year ago quarter, which had no maintenance downtime. A stand pipe rupture at Intercon resulted in lost production of about 2,900 tonnes, followed by 8 days of bleach plant downtime. The mill produced unbleached pulp for this period. Total estimated impact on earnings was \$2.2 million. Offsetting the production losses was a record production quarter at the Northwood pulp mill, that exceeded the previous record set in the first quarter of 2006.

Deliveries to customers during the first quarter were disrupted by the effects of the CN rail strike and resultant congestion in the Port of Vancouver. As a result, pulp shipments were lower than production by about 6,000 tonnes.

Markets

The first quarter of 2007 was stronger for the chemical market pulp industry than typically experienced during this quarter. At just 25 days of supply, inventories for softwood market pulp remain at levels similar to those at the end of 2006. Generally, a supply of 30 days is considered a level indicative of a well-balanced market.

With demand for northern softwood kraft pulp holding steady, and supply constricted in recent years, prices have been increasing. The benchmark list price for delivery into Northern Europe stood at US\$730 per tonne at the end of December 2006, increased to US\$760 per tonne by the end of March 2007 and producers have announced increases to US\$780 per tonne effective April 1, 2007. This is compared to the first quarter of 2006, when the list price into Northern Europe averaged US\$618 per tonne. List prices for delivery to the United States have been US\$30 – 40 per tonne higher than those for Europe.

Outlook – Pulp Markets

We anticipate that market conditions will continue to be strong to balanced for the rest of 2007. The announced price increases are indications of the tight market conditions as both consumer and producer inventories are currently at low levels. Normally, in the first quarter, supplier inventory levels would build in preparation for scheduled

maintenance downtime taken by many northern hemisphere pulp mills in the second quarter, which will further constrict supply and keep inventory levels down. Notwithstanding the strong softwood pulp market, hardwood pulp supply is growing in South America and pricing differentials between hardwood and softwood pulps have increased to more than a US\$100 per tonne in some regions. This leads to concern that some hardwood pulp substitution for softwood pulp could occur, potentially putting pressure on softwood pulp prices.

Paper

(millions of dollars, unless otherwise noted, unaudited)	Q1 2007	Q4 2006	Q1 2006
Sales ¹	30.5	30.9	28.1
EBITDA ¹	1.1	3.0	2.5
EBITDA margin ¹	4%	10%	9%
Operating income ¹	0.1	2.1	1.5
Production – paper (000 mt)	31.6	33.9	33.1
Shipments – paper (000 mt)	30.4	32.8	31.0

Note: ¹ Comparative figures have been reclassified to conform to current year presentation.

The operating income of the paper segment for the first quarter of 2007 weakened by \$2.0 million from the previous quarter and by \$1.4 million when compared to the same quarter last year. Higher prices for slush pulp (which is transferred at market price), lower sales volumes and the impact of scheduled maintenance downtime were offset by an improvement in Canadian dollar realized prices of 6% over the prior quarter. When compared to the same period last year, an increase in Canadian dollar realized prices of 11% was more than offset by the higher cost for slush pulp and lower production volumes due to the scheduled maintenance downtime.

Operations

Paper production during the first quarter was down by 2,300 tonnes over the prior quarter and 1,500 tonnes when compared to the same period in 2006. The decrease in production volumes when compared to prior periods was the result of the scheduled maintenance downtime taken in the first quarter with no maintenance downtime taken in prior periods.

Markets

Kraft paper markets continue to be strong globally. In the first quarter a 4% price increase for bleached paper was implemented in Europe. The CN rail strike and resulting port congestion had a negative effect on both service and costs and resulted in the delay of some export shipments.

Outlook – Kraft Paper Markets

Demand in North America is expected to remain strong throughout 2007. A 5% price increase for North America was announced and is expected to be implemented in the second quarter.

Non-Segmented Costs

(millions of dollars, unaudited)	Q1 2007	Q4 2006	Q1 2006
Unallocated costs	4.9	3.9	3.8
Interest expense, net	1.8	2.0	-
Unrealized gain on derivative instruments	(2.2)	-	-
Unrealized foreign exchange (gain) loss on long-term debt	(1.4)	2.5	-
Other expense (income) ¹	1.2	(3.8)	(0.7)
	4.3	4.6	3.1

Note: ¹ Comparative figures have been reclassified to conform to current year presentation.

Unallocated Costs

Unallocated costs, comprised principally of general and administrative expenses, totalled \$4.9 million in the first quarter of 2007 compared to \$3.9 million in the prior quarter and \$3.8 million in the same period last year. The higher costs were primarily the result of an increase in the salaried employees' incentive plan payments attributable to the strong performance of the business in 2006.

Interest Expense

Net interest expense during the first quarter of 2007 was lower than the prior quarter primarily due to interest income on higher cash and cash equivalent balances in the quarter. No interest expense is shown for periods prior to July 2006, when the pulp business was an integral part of Canfor Corporation (Canfor) and interest expense was not allocated.

Other Non-segmented Items

The unrealized gains on derivative instruments result from the adoption of Canadian Institute of Chartered Accountants (CICA) new Handbook Section 3855 "Financial Instruments" at January 1, 2007. The net unrealized gain of \$2.2 million recorded in the period relates to outstanding natural gas swaps at the end of the quarter.

Other expense includes unrealized foreign exchange adjustments on working capital items.

SUMMARY OF FINANCIAL POSITION

The following table summarizes the Partnership's financial position as at the end of the following periods:

(millions of dollars, except for ratios, unaudited)	Q1 2007	Q4 2006	Q1 2006
Ratio of current assets to current liabilities	1.92	1.92	1.97
Ratio of net debt to partners' equity ¹	0.16	0.17	-
Increase (decrease) in cash and cash equivalents -	(0.3)	11.0	(0.2)
Comprised of cash flow from (used in):			
Operating activities	51.9	62.6	35.7
Financing activities	-	(0.9)	(31.9)
Investing activities	(52.2)	(50.7)	(4.0)

Note: ¹ Net debt consists of long-term debt net of cash and cash equivalents.

Changes in Financial Position

Operating activities generated \$51.9 million in cash in the first quarter of 2007 compared to \$62.6 million in the prior quarter and \$35.7 million when compared to the same period last year. The reduction compared to the prior quarter was primarily due to an increase in working capital relating to inventories and prepaid maintenance. Chip inventories were unusually low at the end of 2006 and rail car supply problems during the first quarter of 2007 resulted in an increase of finished goods inventories for both pulp and paper. Spending on scheduled maintenance downtime at the Intercon and Prince George Pulp mills resulted in an increase in prepaid maintenance expense. The Partnership's accounting policy is to defer maintenance costs incurred during shutdowns and expense them over the period between major shutdowns.

There were no financing activities in the current period. Cash flows from financing activities in the prior year represent net cash transactions with Canfor prior to the spinout.

The \$52.2 million of cash used in investing activities in the quarter represents \$45.6 million of distributions paid to Canfor and the Fund, \$3.2 million relating to net capital expenditures and a \$3.4 million pension contribution representing a payment above the normal funding requirements which was used to reduce the 2006 taxable income of the Partnership.

LIQUIDITY AND FINANCIAL REQUIREMENTS

At the end of the current quarter, the Partnership had cash and cash equivalents totaling \$28.1 million. The Partnership had bank operating lines of credit of \$75.0 million of which \$30.6 million was reserved for a standby letter of credit issued to BC Hydro.

OUTSTANDING UNITS

At May 1, 2007, there were 71,270,025 Limited Partnership Units outstanding, of which 35,493,542 units (consisting of 14,254,005 Class A Limited Partnership Units and 21,239,537 Class B Limited Partnership Units) are owned by the Fund through Canfor Pulp Trust and 35,776,483 Class B Exchangeable Limited Partnership Units are owned indirectly by Canfor.

RISKS AND UNCERTAINTIES

A comprehensive discussion of risks and uncertainties was included in the Fund's 2006 Annual Report, which is available at www.canforpulp.com or www.sedar.com.

SELECTED QUARTERLY PARTNERSHIP FINANCIAL INFORMATION

(unaudited)	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Sales and Income (millions of dollars)								
Sales ¹	238.2	225.2	213.6	196.1	195.5	195.9	193.1	198.9
Operating income (loss) ¹	48.0	45.5	49.0	16.9	19.7	16.7	(3.1)	(5.2)
EBITDA ¹	60.1	58.1	61.8	28.0	32.2	29.0	9.1	5.9
Net income (loss)	48.6	44.8	41.9	15.9	20.4	16.6	(3.1)	(5.2)
Per Partnership unit (dollars) ²								
Net income (loss), basic and diluted	0.68	0.63	0.59	0.22	0.29	0.23	(0.04)	(0.07)
Statistics								
Pulp shipments (000 mt)	253.1	249.8	251.4	244.6	255.7	260.7	257.9	246.8
Paper shipments (000 mt)	30.4	32.8	29.5	31.3	31.0	30.6	31.1	33.0
Average exchange rate (Cdn\$/US\$) ³	0.854	0.878	0.892	0.891	0.866	0.852	0.832	0.804
Average NBSK pulp list price – US\$ (per tonne, delivered to Northern Europe)	757	730	710	665	618	600	587	613

Notes: ¹ Comparative figures have been reclassified to conform to current year presentation.

² Based on partnership units outstanding at December 31, 2006 (71,270,025) for all periods

³ Source – Bank of Canada (average noon rate for the period)

Sales are primarily influenced by changes in market pulp prices, sales volumes and fluctuations in Canadian/US dollar exchange rates. Operating income, net income and EBITDA are primarily impacted by the level of sales and price fluctuations in raw material inputs, energy prices and maintenance costs. The third quarter of 2006 also included transaction costs related to the spinout of Canfor's pulp business into the Partnership.

CANFOR PULP LIMITED PARTNERSHIP

SUPPLEMENTARY FINANCIAL INFORMATION

(millions of dollars, unaudited)	3 months ended March 31, 2007	3 months ended December 31, 2006
RECONCILIATION OF NET INCOME TO EBITDA		
Net Income	48.6	44.8
Add:		
Amortization	12.1	12.6
Net interest	1.8	2.0
Unrealized foreign exchange (gain) loss on long-term debt	(1.4)	2.5
Unrealized gain on derivative instruments	(2.2)	-
Other	1.2	(3.8)
EBITDA (operating income before amortization)	60.1	58.1
CALCULATION OF DISTRIBUTABLE CASH		
Cash flow from operating activities	51.9	62.6
Change in working capital	6.6	1.0
Deduct:		
Financing costs	-	(1.6)
Pension contribution	(3.4)	-
Capital expenditures, net	(3.2)	(5.1)
Distributable cash	51.9	56.9
Distributable cash – per Partnership unit (in dollars)	0.73	0.80
Cash distributions declared (paid and payable)	29.9	57.1
Cash distributions declared – per Partnership unit (in dollars)	0.42	0.80

DISTRIBUTABLE CASH AND CASH DISTRIBUTIONS

Management determines the level of cash distributions based on the level of cash flow from operations before working capital changes less actual and planned capital expenditures and a reserve for future major capital replacements (estimated at \$4 million per year) less a contingency reserve. During the year distributions are based on estimates of full year cash flow and capital spending; thus distributions may be adjusted as these estimates change. It is expected that normal seasonal fluctuations in working capital will be funded from cash resources or the revolving short-term credit facility, and thus will not significantly affect the level of distributions.

Distributions are declared monthly with date of record on the last day of the month and payable within 15 days following. The Partnership began active operation, including monthly distributions, in July 2006 and thus there were no distributions prior to that date.

EBITDA and Distributable Cash are not measures determined in accordance with Canadian generally accepted accounting principles and should not be considered as alternatives to net income or cash flow from operations. As there is no standardized method of calculating EBITDA or Distributable Cash, the Partnership's use of these terms may not be directly comparable with similarly titled measures used by other companies or income funds.

Additional Information

Full report to the unitholders, including financial statements, is available on the Partnership's website at www.canforpulp.com.

The Fund and the Partnership will also hold an analyst call at 8:00 a.m. (PDT) on Wednesday May 2, 2007 to discuss the first quarter 2007 results.

The call can be accessed by dialing 416-695-5261 or 1-800-355-4959 (toll free).

The call will be simultaneously webcast at www.canforpulp.com/investors/webcasts.asp.

About Canfor Pulp Income Fund

The Fund is an unincorporated, open-ended trust established under the laws of Ontario, created to indirectly acquire and hold an interest in the Canfor Pulp Limited Partnership. The Fund indirectly holds a 49.8% interest in the Partnership with Canadian Forest Products Ltd. (a subsidiary of Canfor Corporation) holding the remaining 50.2% interest in the Partnership.

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

For further information contact:

David Jan
Manager Investor Relations
Ph. 604-661-5424
David.Jan@canfor.com

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.

Canfor Pulp Income Fund
Consolidated Statement of Income, Comprehensive Income and Accumulated Earnings and Distributions

(thousands of dollars, except unit and per unit amounts, unaudited)	3 months ended March 31, 2007
Income	
Equity income in Canfor Pulp Limited Partnership	\$ 24,203
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Net Income	24,203
Distributions declared (note 4)	(14,907)
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Earnings in excess of distributions	\$ 9,296
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Weighted average number of units	35,493,542
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Net income per unit, basic and diluted (in dollars)	\$ 0.68
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Net income for the period	\$ 24,203
Other comprehensive income	
Equity interest in other comprehensive income of Canfor Pulp Limited Partnership	980
Comprehensive Income	\$ 25,183
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Accumulated Earnings and Distributions	
Balance, beginning of period – Accumulated distributions in excess of earnings	\$ (9,861)
Accounting policy change (note 2)	2,363
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Balance, beginning of period – Accumulated distributions in excess of earnings, as restated	(7,498)
Earnings in excess of distributions - during the period	9,296
Balance, end of period – Accumulated earnings in excess of distributions	\$ 1,798

The accompanying notes are an integral part of these interim financial statements.

Canfor Pulp Income Fund
Consolidated Cash Flow Statement

(thousands of dollars, unaudited)	3 months ended March 31, 2007
Cash generated from (used in)	
Operating activities	
Net income	\$ 24,203
Items not affecting cash:	
Equity income in Canfor Pulp Limited Partnership	(24,203)
	-
Financing activities	
Distributions paid to Unitholders (note 4)	\$ (22,716)
Investing activities	
Distributions received from Canfor Pulp Limited Partnership	22,716
	-
Beginning, change and ending balance in cash and cash equivalents	\$ -

The accompanying notes are an integral part of these interim financial statements.

**Canfor Pulp Income Fund
Consolidated Balance Sheets**

(thousands of dollars, unaudited)	As at March 31, 2007	As at December 31, 2006
ASSETS		
Current Assets		
Distributions receivable from Canfor Pulp Limited Partnership	\$ 4,969	12,778
Total current assets	4,969	12,778
Equity Investment in Canfor Pulp Limited Partnership (note 3)	301,214	289,490
	\$ 306,183	302,268
LIABILITIES		
Current Liabilities		
Distribution payable (note 4)	4,969	12,778
Total current liabilities	4,969	12,778
UNITHOLDERS' EQUITY		
Unitholders' Equity - 35,493,542 Fund units outstanding	299,351	299,351
Accumulated earnings and distributions	1,798	(9,861)
Accumulated other comprehensive income (note 6)	65	-
Total Unitholders' Equity	301,214	289,490
	\$ 306,183	302,268

Description of the fund and basis of presentation of financial statements (note 1)

Subsequent events (note 7)

The accompanying notes are an integral part of these interim financial statements.

Approved by the Trustees

Stan Bracken-Horrocks

Charles Jago

Canfor Pulp Income Fund

Notes to the Interim Consolidated Financial Statements as at March 31, 2007.

1. Description of the Fund and Basis of Presentation of Financial Statements

Canfor Pulp Income Fund (the Fund) is an unincorporated open-ended trust established under the laws of Ontario on April 21, 2006, pursuant to the Fund Declaration. The principal head office of the Fund is located at 1700 West 75th Avenue, Vancouver, B.C., Canada. The Fund has been established to acquire and hold, through a wholly owned trust, the Canfor Pulp Trust (the Trust), investments in the Limited Partnership Units of the Canfor Pulp Limited Partnership (the Partnership), and such other investments as the Trustees of the Fund may determine. The general partner of the Partnership is Canfor Pulp Holding Inc. (the General Partner) and each partner holds an ownership interest in the General Partner equal to its Partnership interest.

These unaudited interim consolidated financial statements include the accounts of the Fund and the Trust. From the date of its establishment on April 21, 2006 to June 30, 2006 the Fund was inactive. As a result there are no comparative figures in the unaudited interim consolidated financial statements for the first quarter of 2006.

Each unitholder participates pro-rata in any distributions from the Fund.

The Fund is entirely dependent on distributions from the Partnership to make its own distributions.

2. Significant Accounting Policies

These unaudited interim consolidated financial statements do not include all of the disclosures required by Canadian generally accepted accounting principles for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements and notes included in the Fund's 2006 Annual Report. These unaudited interim consolidated financial statements follow the same accounting policies and methods of computation as used in the 2006 consolidated financial statements, except as noted below.

Adoption of New Pronouncements - Financial Instruments

Effective January 1, 2007, the Partnership adopted the Canadian Institute of Chartered Accountants' new Handbook Sections 3855 "Financial Instruments – recognition and measurement" and Section 1530 "Comprehensive Income". These standards were adopted retroactively and comparative amounts of prior periods have not been restated.

Section 3855 prescribes when a financial instrument should be recognized on the balance sheet and at what amount. It also specifies how to present financial instrument gains and losses. Under Section 3855, all financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the Consolidated Balance Sheet at fair value on initial recognition except for certain related party transactions. Subsequent measurement depends on the initial classification of the instrument. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. All derivative instruments, including embedded derivatives, are recorded in the Consolidated Balance Sheet at fair value unless they qualify for the normal sales and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in income.

As a result of adopting these new standards, the Fund has classified its distribution receivable as loans and receivables. Distributions payable are classified as other liabilities and are measured at amortized cost. Derivative instruments are recorded in the balance sheet at fair value, including those derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contract.

Section 1530 introduces new requirements for situations when certain gains and losses ("other comprehensive income") must be temporarily presented outside of net income in a new Statement of Comprehensive Income. Comprehensive income is the change in the Fund's net assets that result from transactions, events and circumstances from sources other than the Unitholders. For the period ended March 31, 2007, the Fund's other

comprehensive income resulted from its equity interest in the Partnership (see notes to the Partnership's unaudited interim consolidated financial statements).

3. Equity Investment in Canfor Pulp Limited Partnership

The Fund's equity investment in the Partnership is as follows:

(thousands of dollars, unaudited)	3 months ended March 31, 2007	6 months ended December 31, 2006
Balance, beginning of the period	289,490	116,560
Accounting policy change – Partners' equity of the Partnership	2,363	-
Accounting policy change – Accumulated other comprehensive income of the Partnership	(915)	-
Issuance of Fund units for exchangeable Partnership units (November 30, 2006) – 21,239,537 Fund units	-	182,791
Equity in income of the Partnership	24,203	20,558
Equity interest in other comprehensive income of the Partnership	980	-
Distributions received and receivable	(14,907)	(30,419)
Balance, end of period	301,214	289,490

Accounting policy change amounts above represent the Fund's share (49.8%) of the Partnership's adjustments to opening Partners' equity arising from the adoption of new accounting pronouncements and changes in accounting policies, all as described in notes to the consolidated financial statements of the Partnership.

4. Distributions

The Fund declared distributions during the first quarter of 2007 as follows:

(thousands of dollars, except per unit amounts, unaudited)		Amount per Fund Unit			Amount
Record Date	Payable Date	Monthly	Supplemental	Total	
		\$	\$	\$	\$
January 31, 2007	February 15, 2007	0.14	-	0.14	4,969
February 28, 2007	March 15, 2007	0.14	-	0.14	4,969
March 30, 2007	April 13, 2007	0.14	-	0.14	4,969
		0.42	-	0.42	14,907

The Fund's monthly distributions are based on the Partnership's monthly distributions.

Monthly cash distributions from the Partnership are based on the Partnership's cash flow and are not directly equal to the Fund's pro-rata share of the Partnership's income under the equity method.

5. Related Party Transactions

For the three months ended March 31, 2007, the Fund had incurred operating expenses with third parties of \$264,000 which were paid by the Partnership pursuant to the terms of the Partnership agreement.

6. Accumulated Other Comprehensive Income

(thousands of dollars, unaudited)	3 months ended March 31, 2007
Balance, beginning of period – January 1, 2007	-
Accounting policy change - Accumulated other comprehensive income of the Partnership	(915)
Balance, beginning of period – January 1, 2007 as restated	(915)
Other comprehensive income	980
Balance, end of period – March 31, 2007	65

7. Subsequent Events

On April 16, 2007 the Fund declared a distribution of \$0.14 per unit or \$5.0 million, payable on May 15, 2007 to unitholders of record on April 30, 2007, based on a Partnership distribution to the Fund of \$5.0 million declared on April 16, 2007.

Canfor Pulp Limited Partnership
Consolidated Statements of Income, Comprehensive Income and Partners' Equity

(millions of dollars, unaudited)	3 months ended March 31, 2007		3 months ended March 31, 2006	
Sales	\$	238.2	\$	195.5
Costs and expenses				
Manufacturing and product costs		143.2		127.5
Freight and other distribution costs		28.5		30.0
Amortization		12.1		12.5
Selling and administration costs		6.4		5.8
		190.2		175.8
Operating income		48.0		19.7
Interest expense, net		(1.8)		-
Unrealized foreign exchange gain on long-term debt		1.4		-
Unrealized gain on derivative instruments (note 11)		2.2		-
Other income (expense)		(1.2)		0.7
		0.6		-
Net Income	\$	48.6	\$	20.4
Other comprehensive income				
Adjustment for realized derivatives (note 14)		2.0		-
Comprehensive Income		50.6		20.4
Net income per Partnership unit (in dollars) (note 10)				
Basic and diluted	\$	0.68	\$	0.29
Weighted average Partnership units outstanding		71,270,025		71,270,025
Partners' Equity				
Balance, beginning of period	\$	581.0	\$	728.7
Accounting policy change (note 3)		4.7		-
Balance, beginning of period as restated		585.7		728.7
Net transactions with Canfor		-		(31.9)
Net Income		48.6		20.4
Distributions to partners (note 13)		(30.2)		-
Accumulated other comprehensive income (note 14)		0.2		-
Balance, end of period	\$	604.3	\$	717.2

The accompanying notes are an integral part of these interim financial statements.

Canfor Pulp Limited Partnership
Consolidated Statements of Cash Flows

(millions of dollars, unaudited)	3 months ended		3 months ended
	March 31, 2007		March 31, 2006
Cash and cash equivalents generated from (used in)			
Operating activities			
Net income	\$	48.6	\$ 20.4
Items not affecting cash:			
Amortization		12.1	12.5
Unrealized foreign exchange gain on long-term debt		(1.4)	-
Unrealized gain on derivative instruments		(2.2)	-
Employee future benefits		1.7	-
Other		(0.3)	-
Cash flow from operations before working capital changes		58.5	32.9
Changes in non-cash working capital (note 12)		(6.6)	2.8
		51.9	35.7
Financing activities			
Net transactions with Canfor		-	(31.9)
		-	(31.9)
Investing activities			
Property, plant and equipment, net		(3.2)	(4.0)
Distributions paid to partners		(45.6)	-
Salary pension plan contribution		(3.4)	-
		(52.2)	(4.0)
Decrease in cash and cash equivalents			
		(0.3)	(0.2)
Cash and cash equivalents, beginning of period			
		28.4	0.6
Cash and cash equivalents, end of period			
	\$	28.1	\$ 0.4

The accompanying notes are an integral part of these interim financial statements.

**Canfor Pulp Limited Partnership
Consolidated Balance Sheets**

(millions of dollars, unaudited)	As at March 31, 2007	As at December 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 28.1	\$ 28.4
Accounts receivable (note 9)		
Trade	165.3	130.9
Other	9.3	6.7
Inventories (note 6)	118.8	111.0
Prepaid expenses	16.9	13.1
Total current assets	338.4	290.1
Property, plant and equipment (note 8)	589.6	598.6
Deferred charges and other assets (note 7)	14.2	4.7
	\$ 942.2	\$ 893.4
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 166.4	\$ 125.5
Distributions payable (note 13)	10.0	25.8
Total current liabilities	176.4	151.3
Long-term debt (note 4)	126.8	128.2
Long-term liabilities (note 5)	34.7	32.9
	\$ 337.9	\$ 312.4
PARTNERS' EQUITY – 14,254,005 Class A Limited Partnership Units and 57,016,020 Class B Limited Partnership Units (note 1)	604.3	581.0
	\$ 942.2	\$ 893.4

Subsequent event (note 16)

The accompanying notes are an integral part of these interim financial statements.

Approved on behalf of Canfor Pulp Limited Partnership by its
General Partner, Canfor Pulp Holding Inc.,

Stan Bracken-Horrocks
Director

Paul Richards
Director

Canfor Pulp Limited Partnership

Notes to the Interim Consolidated Financial Statements as at March 31, 2007

1. Business Description and Basis of Presentation

Canfor Pulp Limited Partnership (the Partnership) is a limited partnership formed on April 21, 2006, under the laws of Manitoba, to acquire and carry on the NBSK pulp and paper business of Canadian Forest Products Ltd. a subsidiary of Canfor Corporation (collectively Canfor). The business consists of two NBSK pulp mills and one NBSK pulp and paper mill located in Prince George, British Columbia and a marketing group based in Vancouver, British Columbia (the Pulp Business).

At March 31, 2007, Canfor owns 50.2% and Canfor Pulp Income Fund (the Fund) indirectly owns 49.8% of the issued and outstanding units of the Partnership.

The general partner of the Partnership is Canfor Pulp Holding Inc. (the General Partner), which holds an interest of 0.001% of the Partnership.

For all periods ending prior to July 1, 2006, these unaudited interim consolidated financial statements present the financial position, results of operations, and cash flows of the Pulp Business on a carve out basis from Canfor as if operated as a stand-alone partnership entity subject to Canfor control. As a result, the transaction has been accounted for as a continuity of interests. The accompanying financial statements include allocations of certain of Canfor's assets, liabilities and costs. The financial condition, results of operations, and cash flows of the Pulp Business for these comparative periods are not necessarily indicative of the financial condition, results of operations or cash flows that would have been incurred if the Pulp Business was a separate legal entity. Prior to July 1, 2006, the Pulp Business did not operate bank accounts independent or separate from Canfor (other than for marketing subsidiaries) and, as a result and for purposes of prior periods, the combined effect of all transactions is reflected in the net transactions with Canfor line in the Partners' equity.

These unaudited interim consolidated financial statements are those of the Partnership and do not include the assets, liabilities, revenues and expenses of its partners. The Partnership, other than its incorporated subsidiaries, is not subject to income taxes as its income is allocated for tax purposes to its partners. Accordingly, no recognition has been made for income taxes related to Partnership income in these financial statements. The tax attributes of the Partnership's net assets flow directly to the partners.

Certain comparative figures have been reclassified to conform to current year presentation.

Economic Dependence

The Partnership depends on Canfor to provide approximately 64% of its fibre supply as well as to provide certain key business and administrative services as described in the Fund's 2006 Annual Report. As a result of these relationships the Partnership considers its operations to be dependent on its ongoing relationship with Canfor.

2. Significant Accounting Policies

These unaudited interim consolidated financial statements do not include all of the note disclosures required by Canadian generally accepted accounting principles for annual financial statements. Except as described in note 3, the Partnership's accounting policies are as disclosed in the annual audited consolidated financial statements included in the Fund's 2006 Annual Report available at www.canforpulp.com or www.sedar.com.

3. Changes in Accounting Policies

The accounting policy changes impacting opening Partners' equity are comprised of the following:

(millions of dollars, unaudited)

Defined benefit pension plans	6.3
Deferred financing costs	(1.6)
	4.7

The aggregate adjustment resulting from the change in accounting policy and the adoption of new accounting pronouncements was an increase of \$4.7 million to opening Partners' equity.

Change in Accounting Policy - Employee Future Benefits

During the quarter ended March 31, 2007, the Partnership determined that with respect to its participation in the Canfor salaried pension plans it was able to determine the benefit obligations and the attributable assets related to its employees. Consequently, the Partnership has ceased to account for these pension costs on the basis of a multi-employer plan and has adopted the pronouncements applicable to accounting for defined benefit pension plans. This change is presented on a retroactive basis, without restatement, as the relevant information is not available for prior periods. The Partnership's policy is included below and details are provided in note 7.

Employee Future Benefits

The Partnership accrues the costs and related obligations of the defined benefit pension plan using the projected benefit actuarial method pro-rated on service and management's best estimates of salary escalation and other relevant factors. Actuarial gains (losses) arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gain or loss over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of the active employees, which is 8 years. Past service costs arising from plan amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. January 1, 2000, the Pulp Business (Canfor) adopted the new recommendations of the Canadian Institute of Chartered Accountants relating to the accounting for pensions and other post employment benefits using the prospective application method. The Partnership is amortizing the transitional obligation on a straight-line basis over 13 years, which was the average remaining service period of employees expected to receive benefits under the benefit plan as of January 1, 2000.

Financial Instruments

Effective January 1, 2007, the Partnership adopted the Canadian Institute of Chartered Accountants' new Handbook Sections 3855 "Financial Instruments – recognition and measurement", Section 3865 "Hedges" and Section 1530 "Comprehensive Income". These standards were adopted retroactively and comparative amounts of prior periods have not been restated.

Section 3855 prescribes when a financial instrument should be recognized on the balance sheet and at what amount. It also specifies how to present financial instrument gains and losses. Under Section 3855, all financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the Consolidated Balance Sheet at fair value on initial recognition except for certain related party transactions. Subsequent measurement depends on the initial classification of the instrument. Loans and receivables and other financial liabilities are measured at amortized cost. All derivative instruments, including embedded derivatives, are recorded in the Consolidated Balance Sheet at fair value unless they qualify for the normal sales and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in income.

As a result of adopting these new standards, the Partnership has classified its accounts receivable as loans and receivables. Bank indebtedness, accounts payable and accrued liabilities, and long-term debt, including interest payable, are classified as other liabilities, all of which are measured at amortized cost. Derivative instruments are recorded in the balance sheet at fair value, including those derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contract.

As a result of consideration of the new guidance provided in Section 3865 – “Hedges”, on a prospective basis, the Partnership has determined not to utilize hedge accounting on its existing derivative instruments. As a result, these instruments, which were previously recorded using hedge accounting, were measured at fair value on January 1, 2007 with a corresponding adjustment through accumulated other comprehensive income (see note 14).

Section 1530 introduces new requirements for situations when certain gains and losses (“other comprehensive income”) must be temporarily presented outside of net income in a new Statement of Comprehensive Income. Comprehensive income is the change in the Partnership’s net assets that result from transactions, events and circumstances from sources other than the Partners.

For the quarter ended March 31, 2007, the Partnership recorded the reversal of unrealized losses on derivative instruments outstanding at December 31, 2006 in other comprehensive income. These derivative instruments had previously been accounted for as cash flow hedges and recorded in accordance with hedge accounting.

In accordance with the transitional provisions, the Partnership has transferred the balance of deferred financing costs relating to the credit facilities and long-term debt entered into on November 30, 2006 to Partners’ equity at January 1, 2007.

On a prospective basis the partnership will expense all financing costs.

4. Credit Facilities and Long-term Debt

The Partnership has outstanding long-term debt of \$126.8 million (US\$110.0 million) in the form of unsecured U.S. dollar private placement notes (the Notes). The Notes bear interest at 6.41% and are repayable in full on their maturity date of November 30, 2013.

The fair value of long-term debt at March 31, 2007 was \$ 127.4 million (US\$110.5 million).

5. Long-term Liabilities

(millions of dollars, unaudited)	March 31, 2007	December 31, 2006
Accrued pension obligations	3.1	2.7
Post employment benefits (note 7)	31.6	30.2
	34.7	32.9

6. Inventories

(millions of dollars, unaudited)	March 31, 2007	December 31, 2006
Pulp	52.0	48.9
Paper	12.3	11.6
Wood chips	8.1	5.4
Processing materials and supplies	46.4	45.1
	118.8	111.0

7. Employee Future Benefits

The Partnership, in participation with Canfor, has funded and unfunded defined benefit plans, as well as a defined contribution plan, that provide pension, other retirement and post-employment benefits to substantially all salaried employees and for its hourly employees covered under collective agreements. The defined benefit plans are based on years of service and final average salary. The post-employment benefit plans are non-contributory and include a range of health care and other benefits.

Total employee future benefit expenses were as follows:

(millions of dollars, unaudited)	3 months ended March 31, 2007	3 months ended March 31, 2006
Pension plans	1.2	1.2
Other employee future benefit plans	1.5	1.8
Contributions to forest industry union plans	1.6	1.6
	4.3	4.6

Defined Benefit Plans

The measurement date for the accrued benefit obligations and fair value of assets for accounting purposes is at September 30, 2006. The most recent actuarial valuation for the Canfor salaried employees pension plans, in which the Partnership's employees participate, was on December 31, 2005.

Information about the Partnership's participation in the Canfor salaried employees pension plans is as follows:

Defined Benefit Plan Obligations – Salaried Pension Plans

(millions of dollars, unaudited)	March 31, 2007
Accrued benefit obligation	
Beginning of period – January 1, 2007	50.3
Current service cost	0.8
Interest cost	0.7
Employee contributions	0.1
Benefit payments	-
Actuarial loss (gain)	-
End of period – March 31, 2007	51.9

Defined Benefit Plan Assets – Salaried Pension Plans

(millions of dollars, unaudited)	March 31, 2007
Fair value of plan assets	
Beginning of period – January 1, 2007	46.4
Actual return on plan assets	0.8
Employer contributions	5.7
Employee contributions	0.1
Benefits paid	-
End of period – March 31, 2007	53.0

**Reconciliation of the Funded Status of the Benefit Plans
To the Amounts Recorded in the Financial Statements – Salaried Pension Plans**

(millions of dollars, unaudited)	March 31, 2007
Fair market value of plan assets	53.0
Accrued benefit obligation	51.9
Funded status of plans – surplus	1.1
Employer contributions after measurement date	-
Unamortized transitional obligation (asset)	(2.5)
Unamortized past service costs	0.2
Unamortized net actuarial loss	11.7
Accrued benefit asset	10.5

The accrued benefit asset of \$10.5 million is included in deferred charges and other assets on the balance sheet.

The Partnership's expense for participation in Canfor's salaried pension plans is as follows:

(millions of dollars, unaudited)	3 months ended March 31, 2007
Defined Pension Benefit Plans	
Current service cost, net of employee contributions	0.8
Interest cost	0.7
Return on plan assets	(0.8)
Actuarial loss	0.2
Amortization of transitional obligation	(0.1)
	0.8

Significant Assumptions

The actuarial assumptions used in measuring the benefit plan provisions are as follows:

(weighted average assumptions)	
Accrued benefit obligation:	
Discount rate	5.25%
Rate of compensation increase	3.0%
Benefit costs:	
Discount rate	5.25%
Expected long-term rate of return on plan assets	7.0%
Rate of compensation increase	3.0%

8. Property Plant and Equipment

(millions of dollars, unaudited)	March 31, 2007		
	Cost	Accumulated amortization	Net
Land	5.4	-	5.4
Buildings, machinery and equipment	1,273.9	696.4	577.5
Construction in progress	6.7	-	6.7
	1,286.0	696.4	589.6

(millions of dollars, unaudited)	December 31, 2006		
	Cost	Accumulated amortization	Net
Land	5.4	-	5.4
Buildings, machinery and equipment	1,272.6	684.5	588.1
Construction in progress	5.1	-	5.1
	1,283.1	684.5	598.6

9. Related Party Transactions

The Partnership's transactions with related parties are consistent with the transactions described in the December 31, 2006 consolidated financial statements and are based on agreed upon amounts, and are summarized below:

(millions of dollars, unaudited)	3 months ended March 31, 2007	3 months ended March 31, 2006
Transactions		
Canfor	35.1	20.3
Howe Sound LP - commission	0.8	1.4
Lakeland Mills Ltd. and Winton Global Lumber Ltd. – purchase of wood chips	3.4	1.8
Balance Sheet		
Included in accounts payable and accrued liabilities:		
Canfor	31.0	10.7
Howe Sound LP	41.4	37.1
Lakeland Mills Ltd. and Winton Global Lumber Ltd.	1.2	0.5
Included in trade accounts receivable:		
Canfor	14.0	10.0
Howe Sound LP	40.9	33.1

Transactions and payables to Canfor include purchases of wood chips, pulp and administrative services.

10. Income per Partnership Unit

Basic income per Partnership unit is based on the weighted average number of Limited Partnership units outstanding during the period. All outstanding Partnership units were issued on July 1, 2006, and there was no change in the number of outstanding Partnership units during the quarter. For purposes of comparative amounts for periods prior to July 1, 2006, it was assumed that the same number of units was outstanding throughout the comparative periods. There were no other securities with rights to conversion into Partnership units outstanding.

11. Financial Instruments

The Partnership uses a variety of derivative instruments to reduce its exposure to risks associated with fluctuations in foreign exchange rates, pulp prices and energy costs.

The net unrealized gain recorded in the quarter ended March 31, 2007 relating to derivative instruments totaled \$2.2 million. This relates to outstanding commodity swaps hedging future natural gas purchases of 2.8 million giga-joules extending to March 2010.

12. Changes in Non-Cash Working Capital

(millions of dollars, unaudited)	3 months ended March 31, 2007	3 months ended March 31, 2006
Accounts receivable	(35.9)	(0.2)
Inventories	(7.8)	(4.5)
Prepaid expenses	(3.8)	4.9
Accounts payable and accrued liabilities	40.9	2.6
	(6.6)	2.8

13. Distributions

The Partnership declared distributions in the first three months of 2007 as follows:

(millions of dollars, except per unit amounts, unaudited)		Amount per Partnership Unit			Amount
Record Date	Payable Date	Monthly	Supplemental	Total	
		\$	\$	\$	\$
January 31, 2007	February 15, 2007	0.14	-	0.14	10.0
February 28, 2007	March 15, 2007	0.14	-	0.14	9.9
March 30, 2007	April 15, 2007	0.14	-	0.14	10.0
Distribution to cover Fund expenses					0.3
		0.42		0.42	30.2

14. Accumulated Other Comprehensive Income

(millions of dollars, unaudited)	3 months ended March 31, 2007
Balance, beginning of period – January 1, 2007	-
Accounting policy change for derivative instruments:	
Unrealized loss on natural gas swaps	(0.8)
Unrealized loss on pulp swaps	(1.0)
Balance, beginning of period – January 1, 2007, as restated	(1.8)
Adjustment for realized derivatives recorded in other comprehensive income	2.0
Balance, end of period – March 31, 2007	0.2

15. Segmented Information ^(a)

(millions of dollars, unaudited)	Pulp	Paper	Unallocated Costs ^(d)	Total
3 months ended March 31, 2007				
Sales to external customers ^(b)	207.7	30.5	-	238.2
Sales of pulp to paper segment ^(c)	20.0	(20.0)	-	-
Operating income (loss)	52.8	0.1	(4.9)	48.0
Amortization	11.0	1.0	0.1	12.1
Capital expenditures, net	2.8	0.4	-	3.2
Identifiable assets	820.3	71.1	50.8	942.2
3 months ended March 31, 2006				
Sales to external customers ^(b)	167.4	28.1	-	195.5
Sales of pulp to paper segment ^(c)	16.5	(16.5)	-	-
Operating income (loss)	22.0	1.5	(3.8)	19.7
Amortization	11.4	1.0	0.1	12.5
Capital expenditures, net	3.8	-	0.2	4.0
Identifiable assets	793.6	73.8	2.0	869.4

- (a) Operations are presented by product lines. Operations are considered to be in one geographic area since all production facilities are in Canada. Substantially all sales are exported outside Canada, with sales to the United States representing 43% (2006 – 44%).
- (b) Sales to two largest customers represented approximately 36% of pulp segment sales (2006 – 30%).
- (c) Sales of slush pulp to the paper segment are accounted for at approximate market value. The sales are transacted as a cost transfer and are not reflected in Pulp sales.
- (d) Unallocated costs represent actual head office administrative costs in the first quarter of 2007. For the first quarter of 2006, head office administrative costs were based on allocated Canfor corporate expenses as described in Note 1.

16. Subsequent Event

On April 16, 2007 the Partnership declared a distribution of \$0.14 per unit or \$10.0 million, payable on May 15, 2007 to unitholders of record on April 30, 2007.