

Certifying Our Forests

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86% of Canfor's Harvest Volume Certified to the CSA Sustainable Forest Management Standard

Canfor continues to make progress on its comprehensive strategy for third-party Sustainable Forest Management (SFM) certification of forest lands managed by the company. The Radium operation is the latest to receive certification to the Canadian Standards Association (CSA) SFM standard. This achievement, along with the Quesnel operation certification to CSA earlier this year, means that 86% of Canfor's annual harvest volume is now certified to CSA SFM standards.

In addition to these latest accomplishments Canfor now has CSA SFM certification covering the company's Forest Management Agreement area at Grande Prairie, Alberta, the Tree Farm Licences at Chetwynd, Prince George and Vavenby, British Columbia, the Forest Licences at Fort St John, Houston, Prince George, Fort Nelson, Vanderhoof and Vavenby, British Columbia and the Pulpwood Agreements at Fort St John and Fort Nelson, British Columbia. In December 2005 Canfor converted its Sustainable Forestry Initiative (SFI)® certification at the Prince George operations to CSA SFM certification. Canfor is committed to having all forest lands managed by the company certified to the CSA SFM standard, and this commitment will be largely met by the end of 2006.

Canfor has implemented a very deliberate and comprehensive strategy for third-party certification of our forest operations. First was the certification of the Environmental Management System for all forest operations to the ISO 14001 standard, initially obtained in 1999 and re-certified as required for subsequent 3-year terms. This was followed shortly by the development of sustainable forest management plans for certification to the CSA SFM Standard. All of these sustainable forest management plans are available on our website at www.canfor.com.

PEFC

Canada's National Standard for Sustainable Forest Management, the CSA SFM Standard, was endorsed by the world's largest certification program, the Programme for the Endorsement of Forest Certification schemes (PEFC), in March 2005. Founded in 1999, PEFC is a non-profit, non-governmental organization that supports sustainable forest management globally. Formed for the assessment and mutual recognition of national forest certification standards, PEFC is the world's largest forest certification umbrella organization with members from Europe, North America, South America, Oceania, Asia and Africa.

PEFC members represent 31 independent national forest certification schemes, of which to date 22 have been through a rigorous process of assessment and endorsement. Globally

191 million hectares have been certified under PEFC-endorsed standards, including over 72 million hectares in Canada certified to the CSA SFM Standard. All of Canfor's CSA SFM certificates have recently been reissued to now include the PEFC logo.

Chain of Custody

Canfor has seen an increased interest from forest products customers world wide in knowing the origin of the products they purchase. We have responded and are pleased to announce significant progress in establishing a certified Chain of Custody system to provide this information for pulp, lumber and panel products. The Chain of Custody will provide an independent verification of the integrity of the company's supply chain.

Chain of Custody is the process of tracking forest products from their place of origin (the forest) through all stages of transfer and production to the final consumer as an end product. Tracking is a challenge given the way wood flows throughout the industry, with all major forest companies relying on external suppliers for at least some part of their wood supply. The system Canfor is putting in place is able to track the wood raw material and its certification status both from the company's own managed forest tenures and as well as those from outside suppliers.

Canfor Pulp Limited Partnership has successfully completed certification of the Chain of Custody for its Prince George-area pulp mills to the PEFC Chain of Custody standard. The mills use only residual sawmill chips and the system tracks the certified status of chip supplies from both Canfor and external sawmills. Pulp certified under this system is now available for customers who request it. The certificate was granted by KPMG Performance Registrars Inc., and copies of both the certificate and the audit report are available to customers on request.

Canfor's Plateau and Isle Pierre sawmills are the first solid wood facilities to receive certification to the PEFC Chain of Custody standard. The certificate was issued by PricewaterhouseCoopers LLP. Canfor expects to have a certified Chain of Custody system in place for all sawmills and panel plants early in 2007.

Canfor Pulp Limited Partnership

In July the kraft pulp and paper assets of Canfor were transferred to a new company, Canfor Pulp Limited Partnership (CPLP). Canfor has an 80% holding in the new company. The new company has a long-term fibre supply agreement under which Canfor will continue to provide them with residual wood chips and hog fuel produced at its sawmills at market price. The change in company structure will have no effect on certifications or Chain of Custody status for its pulp and paper customers.



www.canfor.com

Canfor's SFM Certified Forest Operations

CSA

- 1) Chetwynd - TFL 48
- 2) Grande Prairie - FMA
- 3) Prince George - TFL 30
- 4) Fort St. John - TSA
- 5) Houston - Morice TSA Forest Licence
- 6) Fort Nelson - TSA Forest Licence
- 7) Vanderhoof Forest Licences
- 8) Vavenby - TFL 18 & Forest Licence
- 9) Quesnel Forest Licences
- 10) Prince George Forest Licences
- 11) Radium Forest Licence





Chain of Custody Certificate

This is to confirm that KPMG Performance Register Inc. has examined the procedures of

Canadian Forest Products Ltd.
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and determined that the Company maintains (chain of custody) and sales tracking systems which have reasonable assurance (1) meeting the various levels of due diligence for raw materials, and (2) ensuring that the source from these facilities, which is subject to the SFM certified, will be the source of wood from companies that hold their own SFM certified woodlands operations.
The Company's Chain of Custody system conforms to the requirements of ISO 26000, Annex A, Chain of Custody of Forest Based Products - Requirements.

This Chain of Custody System certification applies to the following operations:

Prince George Pulp and Paper 2789 Prince George Pulp Mill Road, Box 6000, Prince George, BC V2N 2K3
Intercontinental Pulp 2599 Prince George Pulp Mill Road, Box 6000, Prince George, BC V2N 2K3
Northwood Pulp Mill 5015 Northwood Pulp Mill Road, Box 9000, Prince George, BC V2N 4B7

This chain of custody certification is given subject to the terms and conditions governing the use of this certificate as described in the agreement between KPMG Performance Register Inc. and the holder thereof. Chain of custody certification does not ensure the compliance or conformance with the applicable standards for the certified woodlands operations from which wood has been obtained. *PEFC certified woodlands operations are those which are certified under one or more of the following standards: the ISO 2800 Sustainable Forest Management standard or the Sustainable Forestry Initiative (SFI) standard.

Certificate No: 149111
Issue Date: June 2, 2006
Expiry Date: November 21, 2016




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