

IN THE MATTER OF THE *SECURITIES ACT*, R.S.N.W.T. 1988, C. S-5

- and -

IN THE MATTER OF CANFOR CORPORATION

EXEMPTION ORDER

UPON the application of Canfor Corporation (“Canfor”), Canadian Forest Products Ltd. (“CFP”), Canfor Pulp Trust (the “Trust”), Canfor Pulp Holding Inc. (the “General Partner”) in its own name and as general partner of Canfor Pulp Limited Partnership (the “Partnership”, and together with CFP, the Trust and the General Partner, the “Canfor Entities”) to the Northwest Territories Securities Registry (“the Registry”) for an order pursuant to Section 43.1 of the *Securities Act*, R.S.N.W.T. 1988, c. S-5, as amended (the “Act”) that each of the Canfor Entities cease to be a reporting issuer for the purposes of the Act;

AND UPON it appearing that each of the Canfor Entities will be deemed to be a reporting issuer under the Act following the completion of an arrangement (the “Arrangement”) effective July 1, 2006 pursuant to section 288 of the British Columbia *Business Corporations Act*, S.B.C. 2002 c. 57, as amended, and pursuant to an arrangement agreement dated as of April 25, 2006 between Canfor, Canfor Pulp Income Fund (the “Fund”) and each of the Canfor Entities;

AND UPON reading the application and the recommendation of staff of the Registry;

AND UPON Canfor and each of the Canfor Entities having represented to the Registry that:

1. Canfor was incorporated on May 17, 1966, under the British Columbia *Company Act*, and is now governed by the British Columbia *Business Corporations Act*, which replaced the Company Act in March 2004. Canfor’s principal and head office is located at 100 — 1700 West 75th Avenue, Vancouver, British Columbia, V6P 6G2.
2. Canfor is a reporting issuer or equivalent in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The common shares of Canfor are listed and traded on the Toronto Stock Exchange (the “TSX”) under the symbol “CFP”.
3. At the end of the series of steps comprising the Arrangement, the authorized share capital of Canfor will consist of 1,010,000,000 shares divided into 1,000,000,000 common shares without par value and 10,000,000 preferred shares with a par value of \$25 each. At June 5, 2006 there were 142,540,059 common shares issued and outstanding and no preferred shares is sued and outstanding.
4. CFP is a wholly-owned subsidiary of Canfor or its affiliates incorporated under the laws of British Columbia. The principal and head office of CFP is located at 100 – 1700 West 75th Avenue, Vancouver, British Columbia.

5. The authorized share capital of CFP consists of: 1,000,000,000 common shares with a par value per share of \$1.00 Canadian; 200,000,000 First Preferred Shares with a par value per share of \$1.00 Canadian; 200,000,000 Second Preferred Shares with a par value per share of \$1.00 Canadian (including 8,000,000 Second Preferred Shares Series A); 12,675 Third Preferred Shares with a par value per share of \$1.00 Canadian; 300,000,000 Fourth Preferred Shares with a par value per share of \$1.00 Canadian; and 200,000,000 Fifth Preferred Shares with a par value per share of \$1.00 Canadian, all of which are owned by Canfor or its affiliates. CFP has no security holders whose latest address as shown on its books is in Northwest Territories.
6. The Fund is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a declaration of trust made as of April 19, 2006. The principal and head office of the Fund is located at 100 – 1700 West 75th Avenue, Vancouver, British Columbia.
7. The Fund was created by Canfor to indirectly acquire an interest in the Partnership through its holding of certain securities issued by the Trust. As a result of the Arrangement, shareholders of Canfor will receive, in exchange for each share of Canfor previously held, one new common share of Canfor and 0.1 of a trust unit of the Fund.
8. Following completion of the Arrangement, the Fund will be a reporting issuer or equivalent in each jurisdiction of Canada. Pursuant to an application to the TSX dated May 25, 2006, the trust units of the Fund are expected to be listed and traded on the TSX under the symbol “CFX”.
9. The Trust is an unincorporated open-ended trust established under the laws of Ontario pursuant to a declaration of trust made as of April 19, 2006. The principal and head office of the Trust is located at 100 – 1700 West 75th Avenue, Vancouver, British Columbia.
10. The Trust was created to directly acquire approximately 20% of the outstanding units of the Partnership. All of the outstanding securities of the Trust will be owned by the Fund. The Trust has no security holders whose latest address as shown on its books is in the Northwest Territories.
11. The Partnership is a limited partnership formed under the laws of Manitoba. The principal and head office of the Partnership is located at 100 – 1700 West 75th Avenue, Vancouver, British Columbia.
12. The securities of the Partnership are owned as to approximately 20% by the Trust and approximately 80% by Canfor, except that the General Partner owns a 0.001% interest in the Partnership. The Partnership has no security holders whose latest address as shown on its books is in the Northwest Territories.
13. The General Partner is a corporation incorporated under the laws of Canada. The principal and head office of the General Partner is located at 100 – 1700 West 75th Avenue, Vancouver, British Columbia.

14. Following the Effective Date, CFP will hold at least 95% of the outstanding shares of the General Partner. The General Partner has no security holders whose latest address as shown on its books is in the Northwest Territories.

AND UPON the Deputy Registrar being satisfied that to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED THAT, pursuant to section 43.1 of the Act, each of the Canfor Entities cease to be a reporting issuer for the purposes of the Act.

DATED at the City of Yellowknife, in the Northwest Territories, this 30th day of June 2006.

“Donald MacDougall”
Donald MacDougall, Deputy Registrar,
Securities Registry