

For Immediate Release

Canfor Announces Closure of its Mackenzie Sawmill as Part of Cost Management Plan

May 22, 2007 – Vancouver, B.C. – Canfor Corporation (TSX:CFP) announced today that it will close its Mackenzie sawmill indefinitely once the remaining log inventory at the facility has been processed. This announcement comes as part of a broader cost management program currently underway at the company.

“Canfor’s Board has directed me to implement a program to reduce costs and position the company to weather this market downturn, which is the worst this industry has seen in decades,” Canfor’s interim President and CEO, James Shepard, said. “The scope of this cost reduction strategy is not limited to our operations but also includes a review of how we, as a company, spend money and puts in place a process to identify additional cost savings,” he stated. “Today we are announcing the indefinite closure of our Mackenzie sawmill but we will continue to monitor market conditions for evidence of a sustained recovery that would enable us to revisit the situation. This cost review process is not meant to be a one-time event and we will be announcing further decisions as we implement our plan,” he concluded.

Canfor’s Mackenzie sawmill has a capacity of 500 million board feet and employs approximately 450 people. It is anticipated that the indefinite closure will take effect in mid-August representing 170 million board feet of production that will be removed from the market in 2007. Canfor has begun the process to work with the union and employee groups to facilitate the shut down process.

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”, “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 the Company assumes 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 interests in 33 facilities in BC, Alberta, Quebec, Washington state, and North and South Carolina. The company is the largest producer of softwood lumber in Canada while also producing oriented strand board (OSB), plywood, remanufactured lumber products and specialized wood products. Canfor also owns a 50.2% interest in Canfor Pulp Limited Partnership, 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 (TSX: CFP).

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