News Release

For Immediate Release

Canfor Announces Asset Impairment Charge

January 8, 2008 - Vancouver, B.C. – Canfor Corporation (TSX:CFP) today announced that as discussed in the management discussion and analysis contained in its third quarter report, Canfor reviews the carrying value of its long lived assets on a regular basis as events or changes in circumstances may warrant. Accordingly in view of the ongoing operating losses and expected market conditions including exchange rates going forward, a review of the carrying value of all assets was undertaken. Where the carrying value of assets is not expected to be recoverable from future cash flows, they are written down to fair value. As a result Canfor expects its fourth quarter results to include a pre-tax impairment charge of approximately $256 million ($188 million net of future income taxes) related to its long-lived assets and other assets. Of the pre-tax impairment charge, approximately $90 million relates to the lumber segment, $141 million to the panels segment and $25 million to corporate and other segments.

The amount related to corporate and other segments includes a write-down of $10.6 million in the fair value of investments in asset-backed commercial paper, (ABCP), which is in addition to the amount recorded in the third quarter, with the result that a total provision of 20% of the face value of the investments will have been recorded. This impairment charge is based on current estimates and is subject to change.

Canfor's fourth quarter and fiscal 2007 results are expected to be released on February 22, 2008.

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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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