



For Immediate Release

CANFOR ANNOUNCES INDEFINITE CLOSURES OF ITS VAVENBY, RADIUM AND RUSTAD SAWMILLS

May 28, 2009 – Vancouver, B.C. – Canfor Corporation (TSX:CFP) announced today that it will be indefinitely closing its Vavenby, Radium and Rustad sawmills once existing log inventories are utilized and finished products shipped. This is expected to occur over June and July and may vary by operation.

Approximately 570 employees will be impacted by the decision. The mills have a combined capacity of 560 million board feet of production on an annualized basis. This represents 11% of Canfor's total capacity. After considering the effect of this announcement, Canfor will be running at approximately 50 percent of total rated capacity.

"These decisions are never easy, but are taken in the face of a market downturn that is unprecedented in terms of both duration and intensity. Canfor must continue to re-structure its production capabilities to match the demands of the market and ensure the needs of key customers continue to be met," said Canfor President and CEO Jim Shepard.

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", "projects", "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 BC, Alberta, Quebec, Washington state, and North and South Carolina. The company produces the most softwood lumber in BC, while also producing oriented strand board (OSB), 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 under the symbol CFP.

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