



For Immediate Release

CANFOR ANNOUNCES SALE AGREEMENT FOR HOWE SOUND PULP AND PAPER

July 15, 2010 – Vancouver, BC, Canada – Canfor Corporation (CFP:TSX) announced today that Howe Sound Pulp and Paper Limited Partnership (“HSPP”) has entered into a purchase and sale agreement for the sale of all its assets to Paper Excellence B.V.

HSPP operates a pulp and paper facility at Port Mellon, BC, capable of producing 400,000 tonnes of NBSK pulp and 230,000 tonnes of mechanical paper and employs approximately 500 people. HSPP is owned by Canfor and Oji Paper Co., Ltd. of Japan.

The transaction is subject to customary closing conditions and closing is expected during the third quarter of 2010.

Canfor is a leading integrated forest products company based in Vancouver, British Columbia (BC) with operations in BC, Alberta, Quebec, Washington state, and North and South Carolina. The Company produces primarily softwood lumber and also produces 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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