

Canfor Pulp Income Fund

An aerial photograph of a large industrial pulp mill complex, featuring several large buildings and a prominent smokestack, situated in a vast, dense forest. A large, semi-transparent blue circle is overlaid on the right side of the image, containing the text "Investor Presentation" and "November 2006".

Investor Presentation

November 2006

Disclosure of Risk Factors

Certain statements in this presentation 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. The risks and uncertainties are detailed from time to time in reports filed by the Partnership with the securities regulatory authorities in all of the provinces and territories of Canada to which recipients of this presentation are referred to for additional information concerning the Partnership, its prospects and uncertainties relating to the Partnership and its prospects. These statements are based on management's current expectations and beliefs and actual events or results may differ materially. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance and achievements of the Partnership to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and the Partnership assumes no obligation to update such information to reflect later events or developments, except as required by law.

In this presentation, references are made to EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) and distributable cash. Canfor Pulp considers EBITDA and distributable cash to be an important indicator for identifying trends in the performance and of the Fund's ability to generate funds to meet its debt service, capital expenditure requirements and to make cash distributions to its partners. EBITDA and distributable cash is not a generally accepted earnings measure and should not be considered as an alternative to net income or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA and distributable cash , the Fund's use of these terms may not be directly comparable with similarly titled measures used by other entities.

Unless otherwise noted, all financial references are in Canadian dollars.

Company Overview

3 mills in the central interior of British Columbia

- Pulp capacity of 1.0 million tonnes
- Kraft paper capacity of 135,000 tonnes
- 4 pulp machines and 1 paper machine

Spun out from Canfor Corporation on July 1, 2006

- Canfor currently owns 80.0%
- Canfor will reduce its ownership to 50.1% on November 30, 2006

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- 35.5 million units on the TSX (as at Nov 30, 2006)
- Total market capitalization (@\$10.80* per unit) = \$770 million

(see Appendix for more information)

* Unit price as at Nov 16, 2006

Why Canfor Pulp?

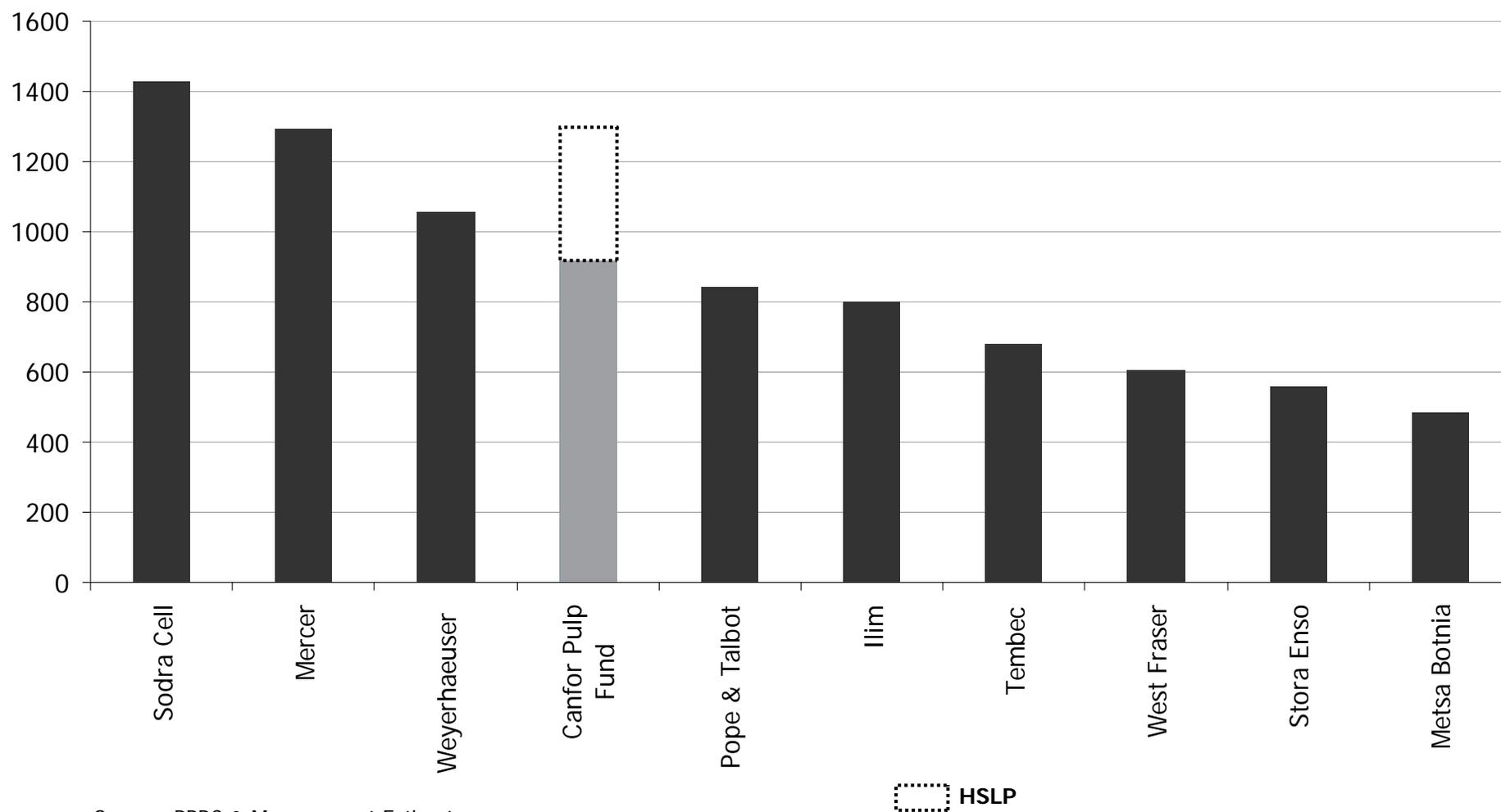
- Market leadership
 - Size
 - Premium Product
 - Customer Base
- Low cost producer
- Abundant fibre supply
- Financial strength
- Experienced management team *

* Refer to Appendix for Officer Biographies



Market Leadership

2nd largest NBSK producer in North America and 4th largest globally



Source: PPPC & Management Estimates

Market Conditions: Supply Shock Rally

Strong demand

- World 19 shipments up 5.5% to Aug-06 (YTD)

Tightening supply

- 1.7 million ADMT of Canadian shuts since Jan-05

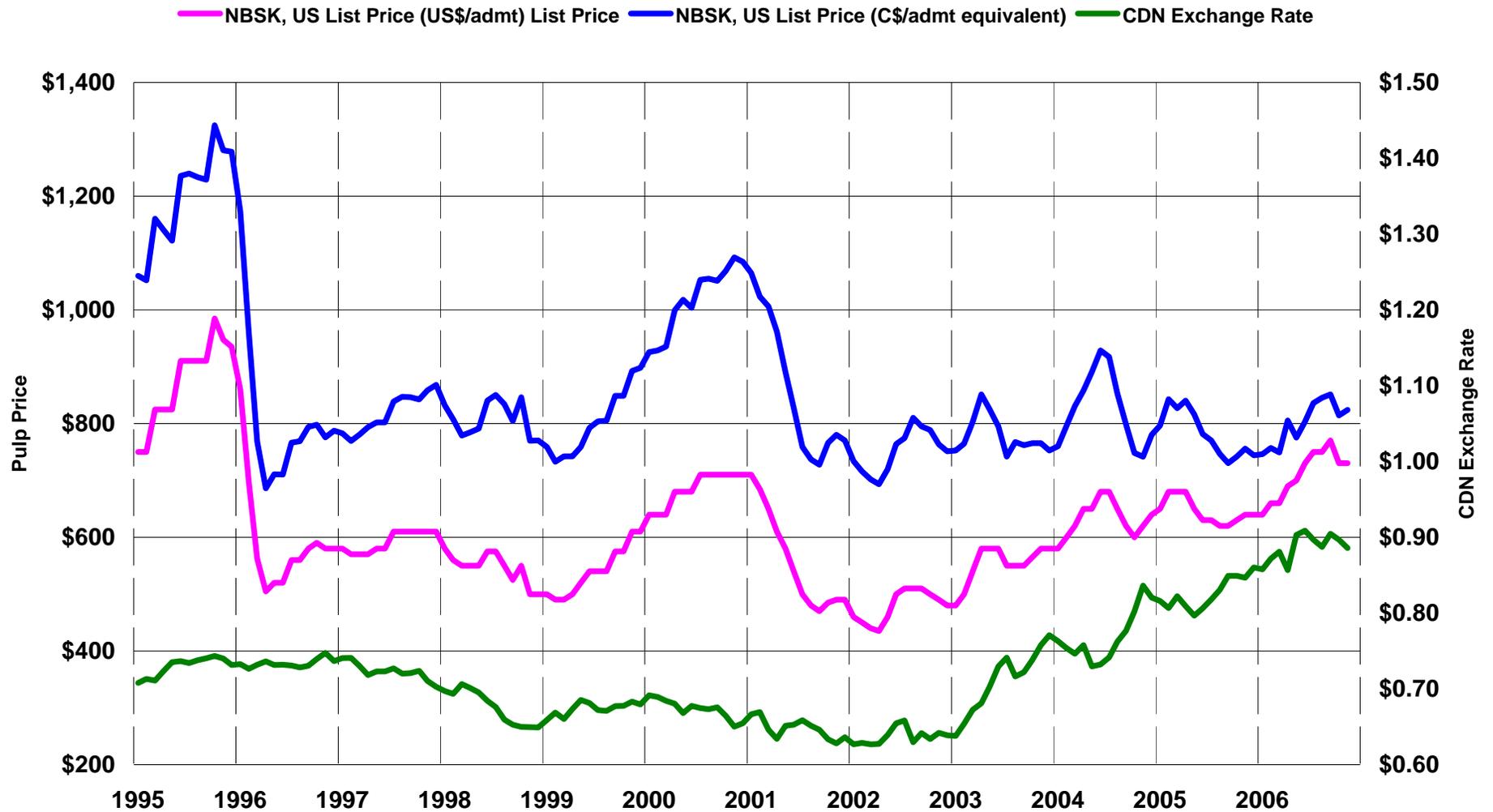
RESULT: Low inventories and Increasing Prices

- Softwood producer inventories at 25 days (as at Sep-06) versus normal 35 days
- NBSK pulp prices up 22% since Jan 2006

Source: PPPC

Market Conditions: Prices

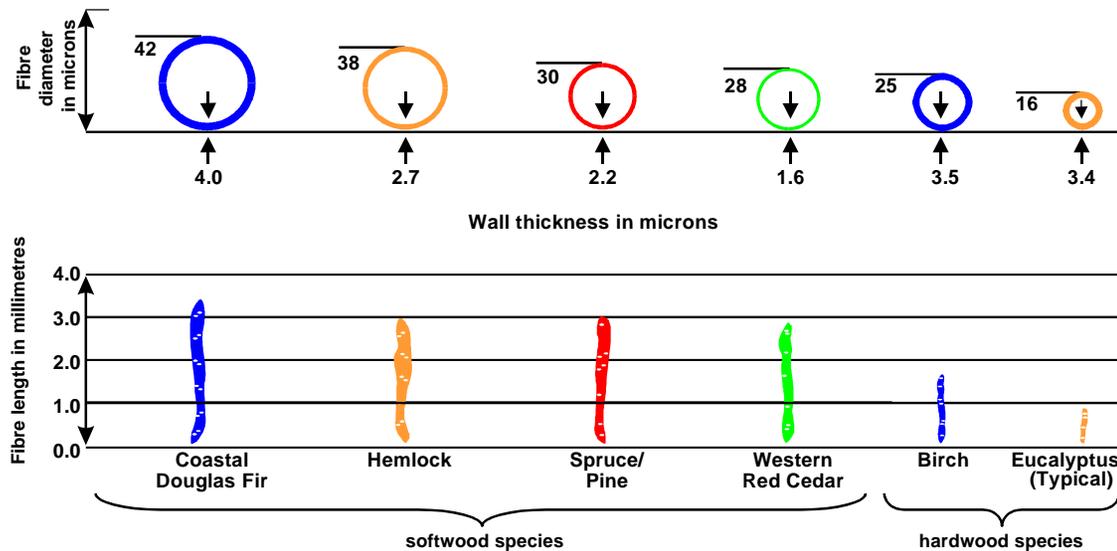
Price vs. Foreign Exchange 1995 - Current



Premium Products

- Fibre produced in the central interior of British Columbia is recognized as being the strongest in the world due to the long, slender fibres derived from the northern spruce and pine.
- This fibre is the best to produce a reinforcing pulp, which in turn commands a premium price.

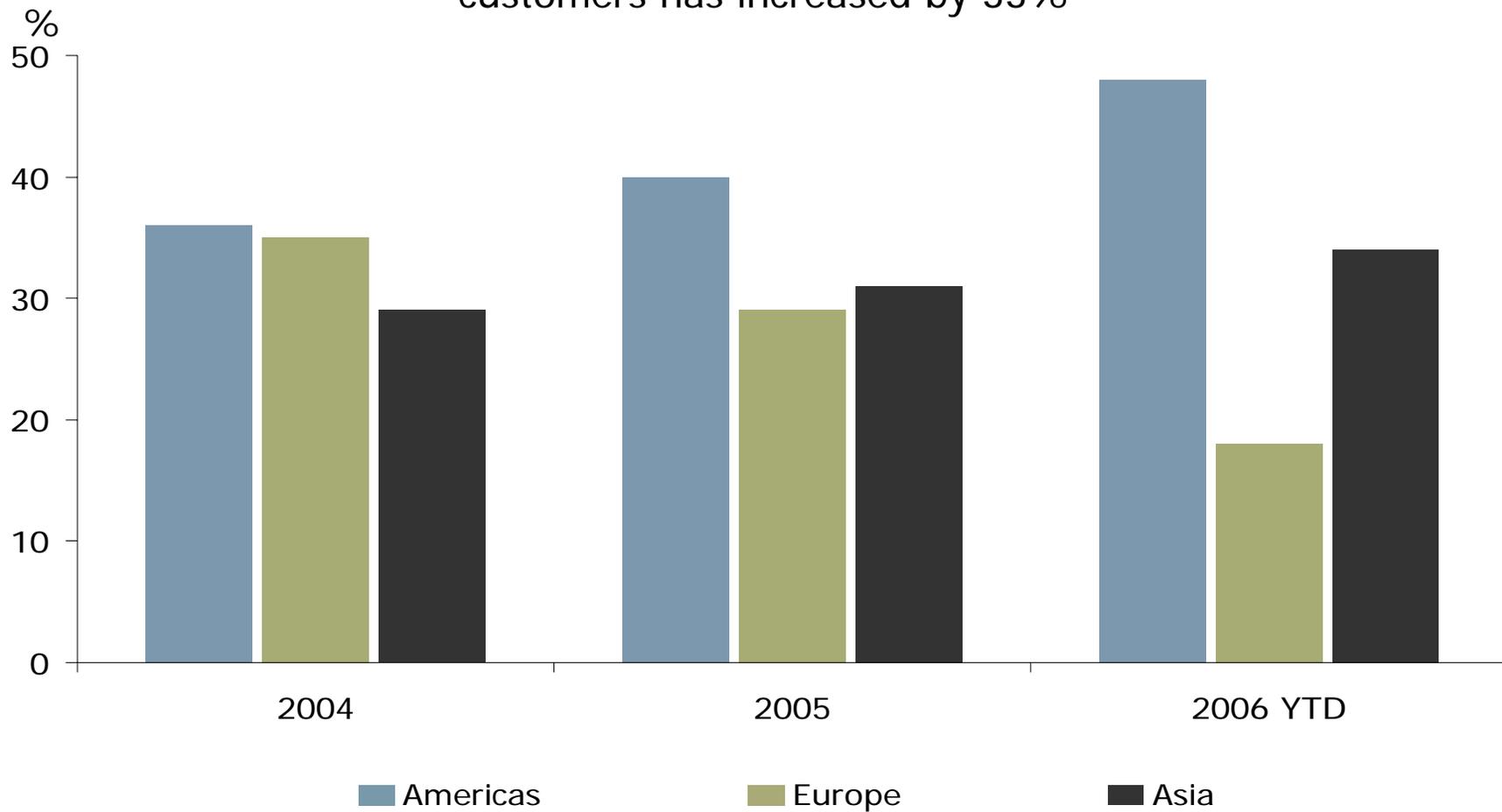
Typical Fibre Dimensions



"Weight weighted lengths measured by Kajaani FS200"

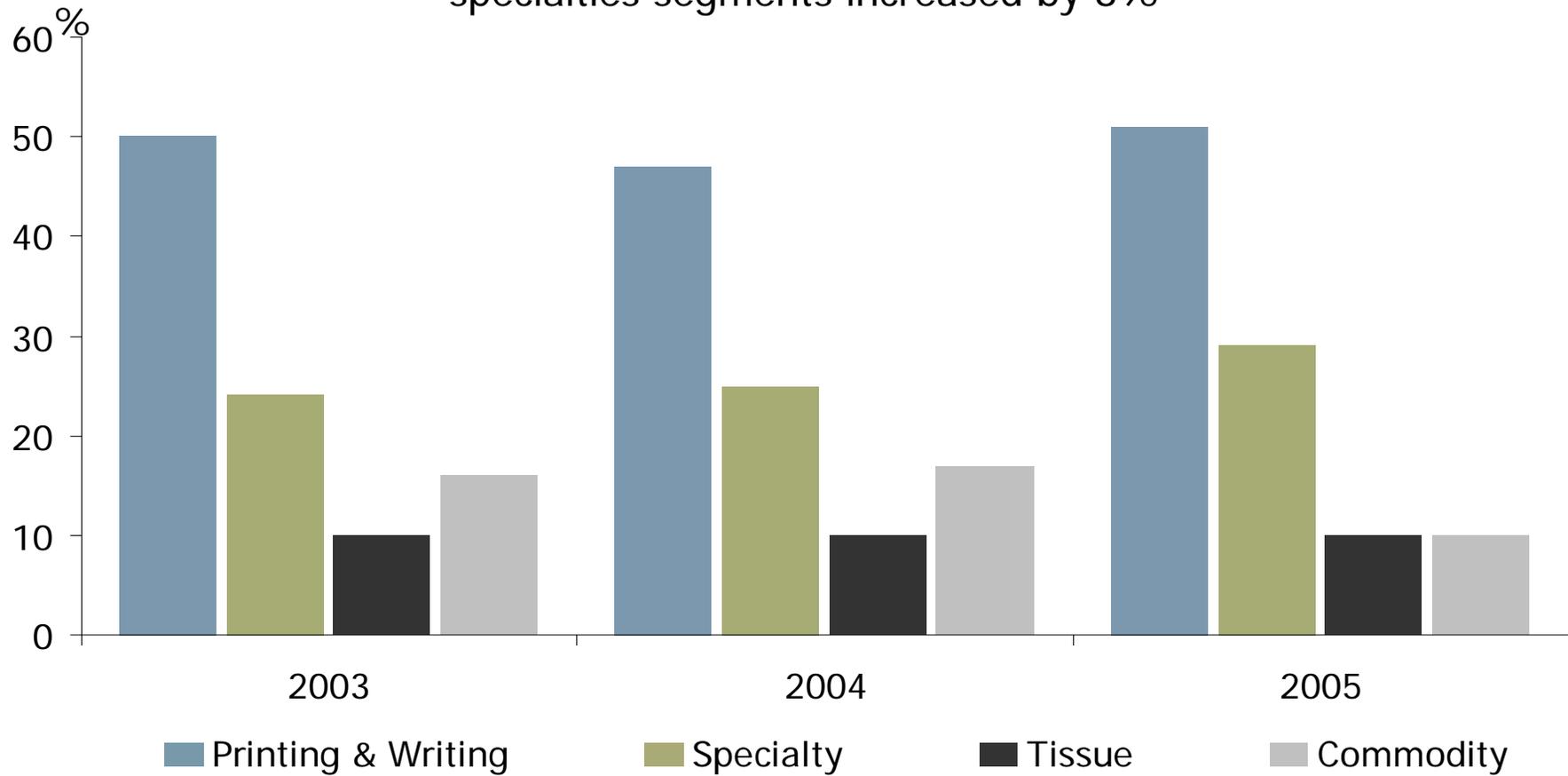
Sales Volumes by Geography

Sales into higher margin North American customers has increased by 33%



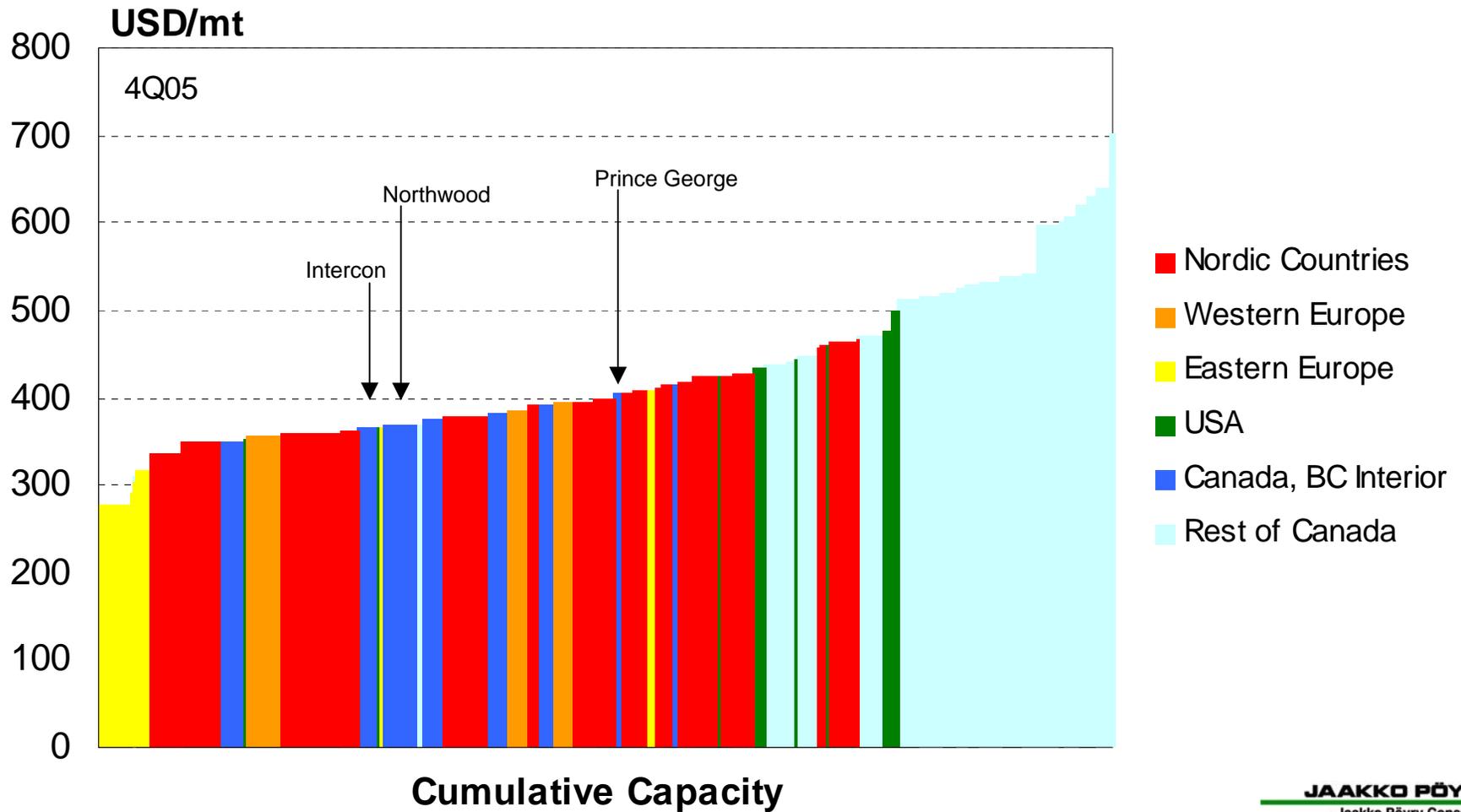
End-Use Mix

Sales to higher margin printing, writing and specialties segments increased by 8%



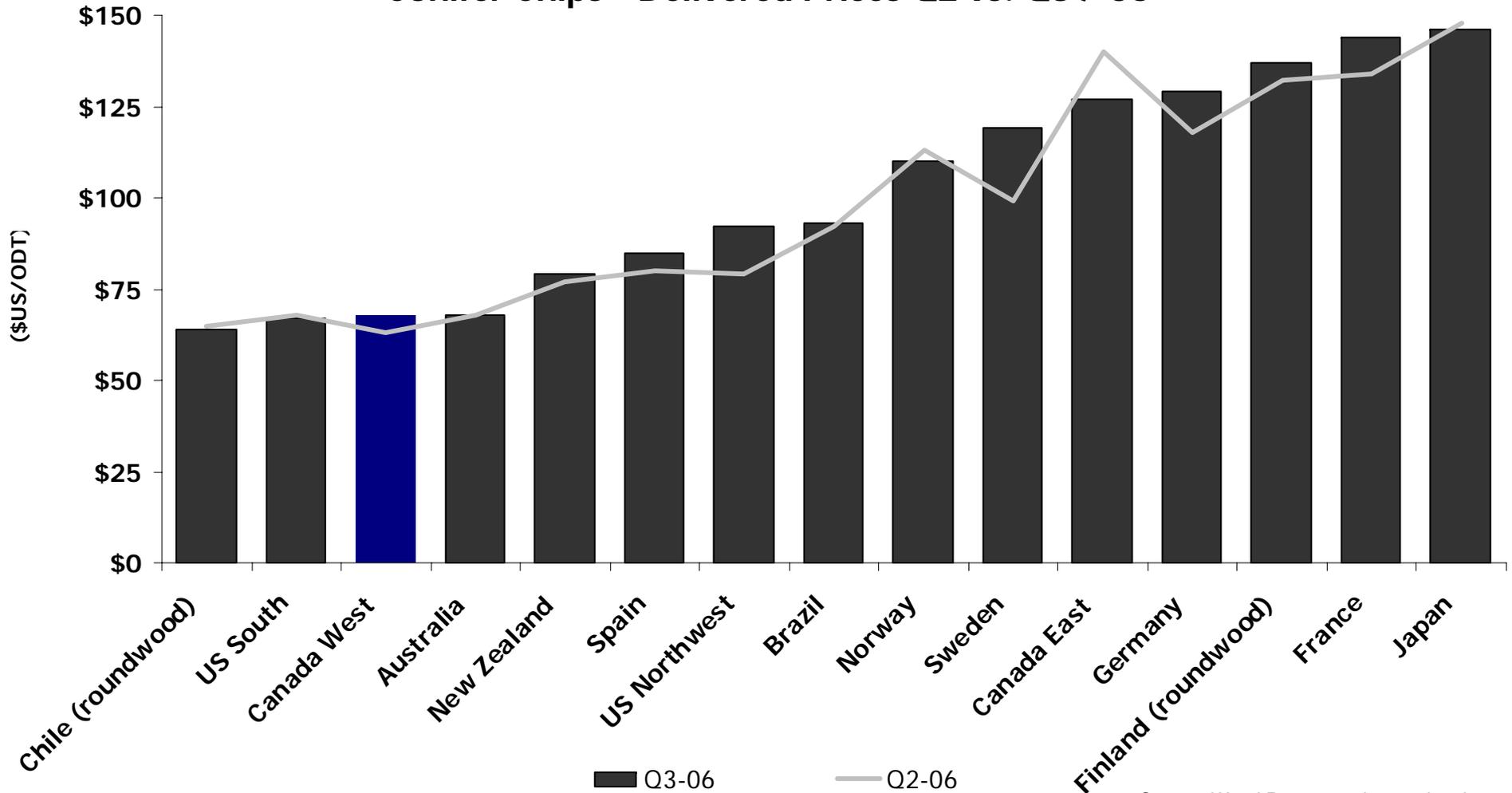
Low Cost Producer

Northern Bleached Softwood Kraft Manufacturing Costs (Jaakko Poyry Q4/05)



Abundant Fibre: Low Fibre Costs

Conifer Chips - Delivered Prices Q2 vs. Q3 / 06



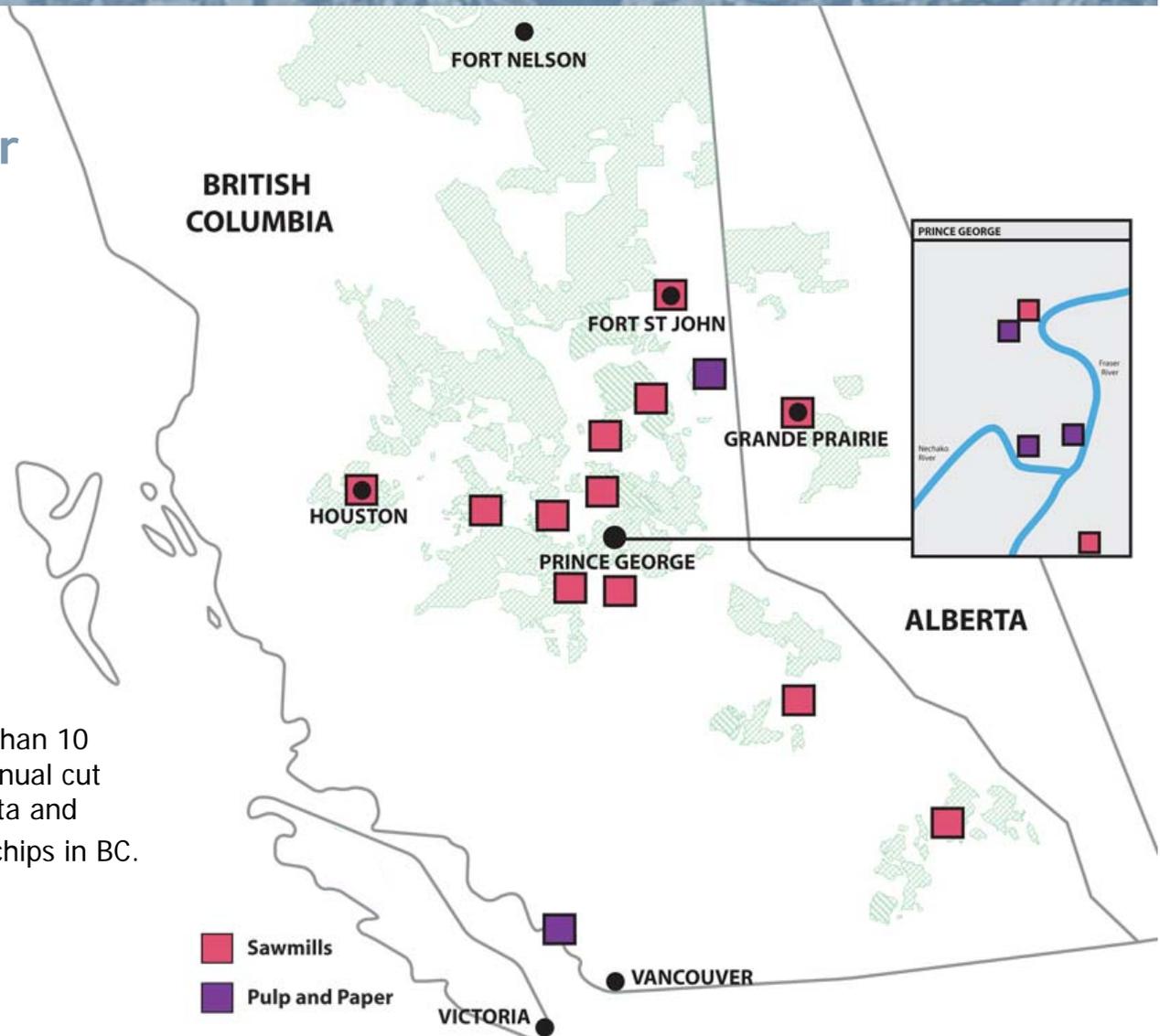
Source: Wood Resources International

Abundant Fibre Supply

Fibre Supply Agreement with Canfor

- Purchase 1.6mm tonnes of fibre (roughly 2/3 of its needs) from Canfor at prevailing market prices
- 0.8mm tonnes purchased through fibre supply agreements with other firms

Note: Canfor's lumber mills control more than 10 million cubic meters of allowable annual cut (AAC) in British Columbia and Alberta and produce total of 2.2 mm tonnes of chips in BC.



High Margin Producer

Top Quartile EBITDA per tonne producer due to:

- Revenues
 - Selling into the highest margin regions to targeted customers
- Low costs
 - Low cost fibre
 - Strong operations which drives low production costs

Per PwC 2005 benchmarking study of 18 Canadian NBSK mills, Canfor's mills were Top Quartile

Financials

Strong year over year results reflect improved pulp prices, strong operations, Cogeneration project benefits, lower chip prices, but offset by a stronger Canadian dollar

Selected financial results:

	Canfor Pulp Limited Partnership			
	3 months ended		9 months ended	
	Sep 30, 2006	Sep 30, 2005	Sep 30, 2006	Sep 30, 2005
Sales volume (mt)				
- Pulp	251,400	257,900	751,700	721,400
- Paper	32,900	31,100	95,300	96,600
Pulp Prices (\$/mt)				
- Ave in USD	711	588	668	614
- Ave in CDN\$	797	707	756	752
Ave Cdn/USD exchange rate	0.892	0.832	0.883	0.817
Sales (\$ millions)	214.3	193.1	605.4	575.2
EBITDA (\$ millions)	62.5	9.2	122.2	34.9
-margin %	29%	5%	20%	6%

Refer to Appendix for more financial results

Distributable Cash

Calculation of Distributable Cash

<i>\$ millions unless otherwise noted</i>	3 months ended		9 months ended	
	Sep 30, 2006		Sep 30, 2006	
Cash flow from Operations	36.4		104.7	
Changes in working capital	19.8		15.7	
Less: capital expenditures	(6.1)		(14.5)	
Distributable Cash (per unit)	50.1	(\$0.70)	105.9	(\$1.48)
Less: Reserves (est.)	(9.0)		-	
Net Distributable Cash	41.1	(\$0.58)	-	

Distributions announced

<i>\$ per unit</i>	Regular	Supplemental	Cumulative Total
July	\$0.12	-	\$0.12
August	\$0.12	-	\$0.24
September	\$0.12	\$0.08	\$0.44
October	\$0.12	\$0.08	\$0.64
November	\$0.12	\$0.12	\$0.88

Balance Sheet

<i>\$ millions</i>	As of Sept 30, 2006
Cash	16.5
Current Assets	283.8
Fixed Assets	606.1
Total	906.4

<i>\$ millions</i>	As of Sept 30, 2006
Current & Other Liabilities	188.1
Long Term Debt	125.0
Equity	593.3
Total	906.4

- Net Debt/EBITDA (Annualized 9 months) = 0.67
- Net Debt/Equity = 0.18
- Indicated yield (Monthly distributions/\$10.80* unit price) = 13.3%

* Unit price as at Nov 16, 2006

Operations Strategy

Remain Top Quartile EBITDA per tonne Producer

- Achieve targets for Prince George Cogen Project
- Continue to improve reliability / productivity
- Grow North American business
- Position right products / customers

Summary

- Market leadership
 - Size
 - Premium Product
 - Customer Base
- Low cost producer
- Abundant fibre supply
- Financial strength
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Questions?

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