



For Immediate Release

CANFOR ANNOUNCES DECISION ON NORTH CENTRAL PLYWOOD MILL

July 30, 2008 – Vancouver, BC – Canfor Corporation (TSX:CFP) announced today that it has decided not to rebuild its North Central Plywood plant in Prince George, B.C., which was destroyed by fire on May 26, 2008. The insurance proceeds received will be reinvested in the Company's existing facilities. Consistent with this decision, the Board of Directors today approved the expenditure of \$13.5 million to construct a wood residue energy facility at Canfor's Fort St. John, B.C. sawmill.

Commenting on the decision, Canfor's President and CEO Jim Shepard said this was a very difficult decision for the Company. "Unfortunately, after considering the changing nature of our available fibre supply and expected future market conditions, the projected economic benefits were not sufficient to justify the significant capital cost of the rebuild."

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 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 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 under the symbol CFP.

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