



**Slocan Forest Products Ltd.**

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**PRESS RELEASE**

For Immediate Release

November 25, 2003  
Vancouver, British Columbia

**SLOCAN FOREST PRODUCTS LTD. AND CANFOR CORPORATION  
ANNOUNCE THE COMBINATION OF THE COMPANIES**

Mr. J.A. Shepherd, President and Chief Executive Officer of Slocan Forest Products Ltd. ("Slocan") [TSX:SFF] announced today that Slocan has entered into an agreement (the "Combination Agreement") with Canfor Corporation ("Canfor") to combine the two companies. The proposed transaction is to be effected by way of a statutory plan of arrangement (the "Arrangement"), which will result in Slocan becoming a wholly-owned subsidiary of Canfor. The Arrangement will be subject to obtaining necessary approvals including the approval by shareholders at a meeting expected to be held by March 2004.

The terms of the Arrangement provide that Slocan shareholders will be entitled to receive 1.3147 Canfor shares for each Slocan share held by them. Based on the November 24, 2003 closing prices on the TSX of both stocks, the consideration offered by Canfor for each Slocan share represents a premium of approximately 41%, and the exchange ratio implies a price per Slocan share of \$12.07.

Mr. J.A. Shepherd said, "This transaction provides a tremendous opportunity for Slocan's shareholders and customers. The combination of the two companies will create a leading British Columbia based forest products company with the strength and resources to deliver added value to its shareholders. The Board of Directors has approved the combination after considerable deliberation and on the recommendation of an independent committee of the Board".

The Board of Directors of Canfor will be expanded on closing of the transaction to 15 directors including four nominees from Slocan's Board. Mr. Jim Shepherd will be appointed President and Chief Executive Officer of Canfor following its Annual General Meeting in April 2004. Canfor's current Chief Executive Officer, Mr. David Emerson, will provide transitional advice to help ensure a smooth process of integration of the two companies. Mr. Peter Bentley will be Chairman of the new Board of Directors of Canfor.

The Board of Directors of Slocan has unanimously approved the Arrangement, subject to satisfaction of certain conditions. Those conditions include approval by 75% of all the votes cast at a meeting of Slocan's shareholders (the "Meeting"). It is also a condition that the Arrangement be approved by a simple majority of the votes cast at the Meeting by shareholders who do not have an interest in the Arrangement. The transaction is also subject to the pre-

notification and review requirements of the *Competition Act* (Canada), compliance with the *Forest Act* (British Columbia) and normal regulatory and court approvals.

Great Pacific Industries Inc. ("Great Pacific"), which holds 20.7% of the issued and outstanding Slocan shares has entered into an agreement with Canfor to support the Arrangement. Great Pacific has agreed to vote its Slocan shares in favour of the Arrangement at the Meeting, but Great Pacific may withdraw its support and accept another offer or proposal, provided that the Combination Agreement has been terminated by Slocan. Mr. I.K. Barber, the founder of Slocan has also agreed to vote in favour of the Arrangement on the same terms. The Combination Agreement provides that if it is terminated under certain circumstances, Slocan must pay Canfor a break fee of \$9 million.

Slocan expects that the Meeting will be held towards the end of the first quarter of 2004. It is the parties' intention to give effect to the Arrangement shortly after the Meeting, provided all necessary shareholder, court, regulatory and other approvals have been obtained. However, no assurances can be given that all conditions to the closing under the Combination Agreement will be met or that the Arrangement will become effective.

The Combination Agreement includes a condition that the Board of Directors of Slocan shall have waived the application of certain provisions of Slocan's existing shareholders' rights plan. Slocan shareholders will be asked to approve an ordinary resolution pursuant to that rights plan authorizing Slocan's Board of Directors to waive such provisions as of the closing date of the transaction, immediately before the Arrangement becomes effective. Under the rights plan, Slocan's Board of Directors has also extended any separation time triggered by the Arrangement to July 1, 2004.

Canfor has stated that it will assume Slocan's net debt and that it has arranged committed credit facilities to finance any of Slocan's debt that may become due as a result of the proposed transaction.

BMO Nesbitt Burns Inc. acted as a financial advisor to Slocan and provided a fairness opinion in respect of the Arrangement. RBC Capital Markets acted as financial advisor to Canfor and provided a fairness opinion in respect of the Arrangement.

Investors and shareholders are urged to read Slocan management's information circular regarding the Arrangement when it becomes available, as the circular will contain important information. The circular will be mailed to Slocan shareholders in connection with the Meeting and will be made available to the public through SEDAR.

Slocan is a major integrated forest products company with an annual capacity of 1.9 billion board feet of lumber, 265 million square feet of plywood (3/8" basis), 510 million square feet of oriented strand board (3/8" basis), 900,000 bone dry units of wood chips, and 220,000 tonnes of chemi-thermo mechanical pulp. Slocan has approximately 2,500 employees.

Canfor is a major integrated forest products company, employing approximately 5,600 people in its wholly-owned forest products and affiliate operations. Canfor is Canada's largest softwood lumber producer and a manufacturer of market pulp and specialty kraft paper. Other major products of Canfor and its affiliates are newsprint, plywood, hardboard, woodchips and logs.

*This press release contains statements that are forward-looking in nature. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied.*

*A conference call for analysts and investors will take place on November 25, 2003 at 8:30 AM Pacific Standard Time, 11:30 AM Eastern Standard Time. To participate in the call, please dial one of the following numbers: 416-405-9310 (Toronto) or 1-877-211-7911 (Toll-Free North America) and ask to be connected to the Canfor Corporation conference call chaired by Mr. David Emerson.*

*Jim Shepherd, President and Chief Executive Officer of Slocan, and David Emerson, President and Chief Executive Officer of Canfor, will be available to discuss the transaction at a press conference on November 25, 2003 at 10:30 AM Pacific Standard Time, 1:30 PM Eastern Standard Time. The conference will be held at 1500-550 Burrard Street, Vancouver, BC. To participate by phone, please dial one of the following numbers: 604-639-5229 (Vancouver) or 1-877-211-7911 (Toll-Free North America) and ask to be connected to the Canfor Corporation conference call chaired by Mr. David Emerson.*

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