



PRESS RELEASE

International Forest Products Limited

Vancouver, BC

December 29, 2005

INTERFOR MAKES PROGRESS ON RESTRUCTURING INITIATIVES

Vancouver, B.C. - **International Forest Products Limited** (“Interfor” or the “Company”) (TSX: IFP.SV.A) announced today that Seaboard Shipping Company Limited – in which it currently holds a 60% interest – had sold the MV Skauboard (which had been on 3rd party charter) and had used the proceeds from the sale and other cash on hand to pay a dividend to its shareholders. At the same time, Interfor announced that it has made progress on a number of other restructuring initiatives in recent weeks, including:

- The sale of additional surplus property including the balance of the former Bay Lumber site in Pitt Meadows, B.C.;
- The finalization of compensation relating to the loss of subcontractor harvesting rights held by wholly owned Helifor Industries Limited under the terms of the Province of B.C.’s Forest Revitalization Plan;
- The permanent closure of the Company’s Marysville, Washington sawmill;
- The permanent closure of the Company’s Fraser Reman operation in Coquitlam, B.C., including the sale of equipment and payment of severance; and
- The voluntary payment of severance to employees of the Company’s Field Sawmill in Courtenay, B.C.

The sale of the MV Skauboard and the other restructuring initiatives are part of Interfor’s strategy to focus on those operations which have the potential to generate attractive returns in a competitive market environment. Last week, the Company announced the sale of TFL 38 to Northwest Forestry Limited Partnership, a company held in trust by the Squamish Nation. In total, the initiatives completed in recent weeks will generate net cash proceeds to Interfor of approximately \$30 million after payment of severance, further strengthening the Company’s balance sheet and enhancing its ability to pursue opportunities which add long-term value.

Interfor is one of the Pacific Northwest’s largest producers of quality wood products, with operations in British Columbia, Washington and Oregon.

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