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For Immediate Release

**Interfor to Acquire
Three Sawmills from Pope & Talbot
Acquisition subject to U.S. Bankruptcy and Canadian Court approvals**

Vancouver, British Columbia - **International Forest Products Limited** ("Interfor" or the "Company") (TSX: IFP.A) announced today that it has reached agreement to acquire the Castlegar (British Columbia), Grand Forks (British Columbia) and Spearfish (South Dakota) sawmill assets and related timber tenures of Pope & Talbot, Inc. Pope & Talbot Ltd., and certain affiliates ("P&T"). The purchase price is US\$69 million for the fixed assets, less adjustments for specific liabilities assumed. Interfor will also purchase certain current assets which could total up to US\$20 million, assuming P&T meets specified target inventory requirements.

The transaction is subject to approvals by the U.S. Bankruptcy Court and a Canadian court (together, the "Courts") and will be effected under procedures that provide for the possibility of competing bids. Motions setting out procedures and timeframes will be filed promptly with the Courts. In the event a superior offer is submitted after bidding procedures orders are granted by the Courts, and a transaction completed with another party, Interfor will receive a break-up fee of US\$3.2 million and expense reimbursement of up to US\$700,000, subject to court approval. The transaction is also subject to customary regulatory approvals in Canada and the United States, and is expected to close in the first quarter of 2008.

The acquisition of the three sawmills, if completed, will increase Interfor's total lumber capacity by approximately 580 million board feet per year to approximately 1.9 billion board feet. The acquisition also includes timber tenures representing annual harvesting rights of approximately 1 million cubic metres in the Southern Interior of British Columbia.

The Castlegar and Grand Forks mills are large producers of specialty and commodity grade lumber products serving markets principally in the United States and Canada. The Spearfish mill is a small but profitable operation serving specialty markets in the United States.

Between 2002 and 2006, the three mills generated average annual EBITDA (before softwood lumber duty refunds) of approximately US\$16 million and generated peak EBITDA of approximately US\$36 million in 2004.

"We view the acquisition of these mills as an attractive opportunity to add critical mass in one of our core operating regions and to expand our presence in the U.S.," said Duncan Davies, Interfor's President and CEO. "The transaction will also broaden our product lines in both specialty and commodity grades".

Interfor has identified a number of opportunities to improve the financial performance of the acquired mills through improvements in operational efficiency and other non-capital initiatives. Interfor has also identified certain additional cost savings that will be driven by high return capital projects.

Interfor will finance the acquisition with cash on hand and existing credit facilities. "The strength of our balance sheet is one of our greatest assets," said Davies. "Going forward, we will continue to ensure we are appropriately capitalized to weather the cycles of the lumber industry and to maintain our ability to pursue further growth opportunities."

UBS Securities Canada Inc. is acting as exclusive financial advisor to Interfor on this transaction.

ABOUT INTERFOR

Interfor is one of the Pacific Northwest's largest producers of quality wood products. The Company has operations in British Columbia, Washington and Oregon, including three sawmills in the Coastal region of British Columbia, one in the B.C. Interior, one in Washington and two in Oregon. In addition, Interfor operates value-added remanufacturing and specialty products facilities in B.C. and Washington. Additional information relating to the Company and its operations, including Interfor's Annual Statutory Information for 2006 can be found on its website at www.interfor.com and or on SEDAR at www.sedar.com.

This press release contains forward-looking statements, which reflect the Corporation's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors.

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