



March 28, 2005

For Immediate Release

Interfor, Province reach agreement on compensation for timber reallocation

Vancouver, British Columbia - International Forest Products Limited ("Interfor") (TSX: IFP.SV.A) announced today that it has concluded a comprehensive agreement with the Province of British Columbia to compensate the Company for loss of forest tenure through the government's timber reallocation program.

Interfor will receive \$21.7 million in compensation for the loss of logging rights on the B.C. Coast. Included in this amount is an advance payment against lost infrastructure. As a result of the reallocation, the Company's annual harvest base will be reduced by about 579,000 cubic metres from replaceable tenure plus a reduction of 20% from timber licences.

The reallocation is part of the B.C. Government's Forestry Revitalization Plan which was introduced in March 2003. Under the plan, major forest licensees were required to return 20% of their replaceable tenure to the Province. Approximately half of this timber volume is to be redistributed to create opportunities for woodlots, community forests and First Nations. The other half will be available for public auction to stimulate market conditions.

In response to the government's revitalization plan, Interfor announced in August 2004 the \$25-million rebuild of its sawmill in New Westminster. The new mill is scheduled to be in start-up mode in early April. This project represents the first major capital re-investment in the Coastal industry in many years.

Interfor is one of the Pacific Northwest's largest producers of quality wood products for sale to markets around the world. The company has operations in British Columbia, Washington and Oregon, including five sawmills in the Coastal region of B.C., one in the B.C. Interior, two sawmills in Washington and one in Oregon. Interfor also operates a number of value-added remanufacturing and specialty products facilities in B.C. and Washington.

For more information, please contact:

Steve Crombie
Director, Public Affairs & Communications
Interfor
(604) 689-6806