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Immediate Release

Interfor Completes Floragon Acquisition

Vancouver, British Columbia - **International Forest Products Limited** ("Interfor" or the "Company") (TSX: IFP.SV.A) announced today that it had completed the acquisition of the assets of Floragon Forest Products Molalla Inc. and related entities ("Floragon") as scheduled. The purchase price was \$US50 million plus an amount for inventories. In addition, the vendors may qualify for an incentive payment based on the financial performance of the Floragon operation in the next twelve months.

The Floragon operation, which is located southeast of Portland, Oregon, has been rechristened the "Molalla Division" and will operate under the banner of Interfor's wholly-owned US subsidiary, Interfor Pacific Inc.

With the acquisition, Interfor's total production capacity increases to just under 1.5 billion board feet.

At the same time, Interfor announced that it had acquired the balance of the outstanding shares of B.W. Creative Wood Industries Ltd., a leading manufacturer of value-added specialty wood products, for \$10.3 million. This transaction will enable Interfor to move forward as planned with a strategic review of this operation to ensure that shareholder value is being maximized under its current configuration.

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 in Washington and two in Oregon. In addition, Interfor operates a number of value-added 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 2004, can be found on its website at www.interfor.com and on SEDAR at www.sedar.com.

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