

SUMMARY OF 2006 U.S. – CANADA SOFTWOOD LUMBER AGREEMENT

<u>Canadian Tax Levels</u>		
Prevailing Monthly Price*	Option A¹ - Export Charge (Expressed as a % of Export Price)	Option B² - Export Charge (Expressed as a % of Export Price) with Export Allocation
Over \$US355	No Export Charge	No Export Charge and no volume restraint
\$US336-355	5%	2.5% Export Charge + maximum volume that can be exported to the United States cannot exceed the Region's share of 34% of Expected U.S. Consumption for the month
\$US316-335	10%	3% Export Charge + maximum volume that can be exported to the United States cannot exceed the Region's share of 32% of Expected U.S. Consumption for the month
\$US315 or under	15%	5% Export Charge + maximum volume that can be exported to the United States cannot exceed the Region's share of 30% of Expected U.S. Consumption for the month
<small>*Four-week average of Random Lengths Framing Lumber Composite Price. 1 - Applies to B.C. and Alberta. 2 – Applies to Quebec, Ontario, Manitoba, and Saskatchewan</small>		

Effective SLA Export Tax on Western Canadian Shipments to the U.S. (Percentages)

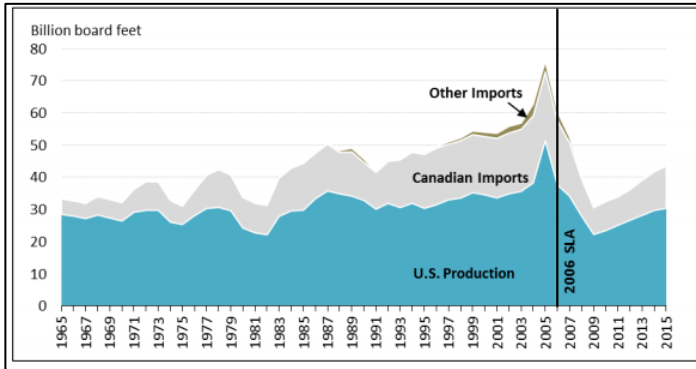
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006										15	15	15
2007	15	15	15	15	15	15	15	15	15	15	15	15
2008	15	15	15	15	15	15	15	15	15	15	15	15
2009	15	15	15	15	15	15	15	15	15	15	15	15
2010	15	15	15	15	10	0	10	15	15	15	15	15
2011	15	15	15	15	15	15	15	15	15	15	15	15
2012	15	15	15	15	15	10	5	10	10	5	10	10
2013	0	0	0	0	0	0	0	10	5	5	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	5	5	10	15	5	5	15		

Monthly Export Tax:

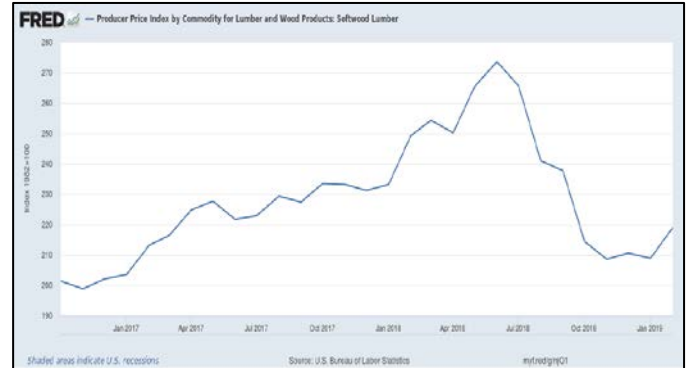
0%	5%	10%	15%
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SOFTWOOD LUMBER CURRENT MARKET DATA

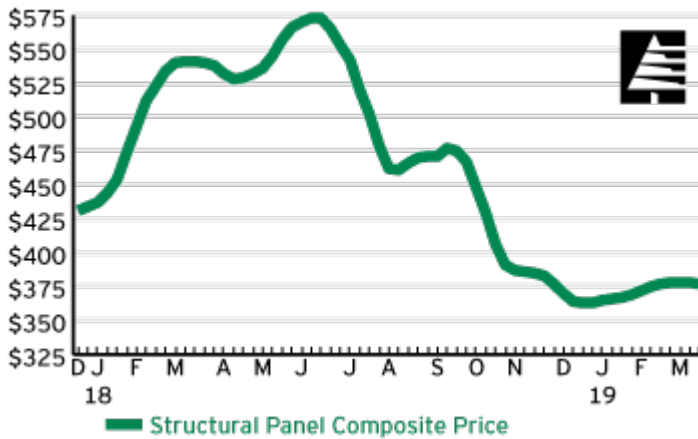
U.S. Lumber Consumption by Source Through 2015



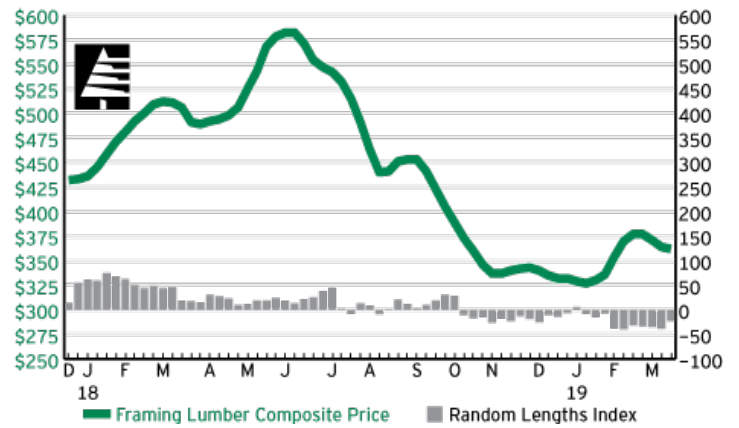
Producer Price Index for Softwood Lumber Since October 2016



Random Lengths Structural Panel Composite Price



Random Lengths Framing Lumber Composite Price



Current Duties on Canadian Softwood Lumber

Company	Countervailing Duties (CVD)	Antidumping Duties (AD)	Overall Duties
Canfor	13.24%	8.89%	22.13%
J.D. Irving	3.34%	6.58%	9.92%
Resolute	14.70%	3.20%	17.90%
Tolko	14.85%	7.22%	22.07%
West Fraser	18.19%	5.57%	23.76%
All Others	14.25%	6.58%	20.83%

* Softwood lumber from Newfoundland and Labrador, Nova Scotia, and Prince Edward Island are not subject to duties