COMPANY UPDATE NOVEMBER 2015

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FORWARD-LOOKING INFORMATION

This presentation contains information and statements that are forward-looking in nature, including, but not limited to, statements containing the words "will", "is expected", "forecast", "annualized", "target" and similar expressions. Such statements involve known and unknown risks and uncertainties that may cause Interfor's actual results to be materially different from those expressed or implied by those forward-looking statements. Such risks and uncertainties include, among others: price volatility; competition; availability and cost of log supply; natural or man-made disasters; foreign currency exchange fluctuations; changes in government regulation; export and other trade barriers; environmental and community matters; labour disruptions; and other factors referenced herein and in Interfor's current Annual Report and Management's Discussion & Analysis, both available on www.sedar.com. The forward-looking information and statements contained in this presentation are based on Interfor's current expectations and beliefs. Readers are cautioned not to place undue reliance on forward-looking information or statements. Interfor undertakes no obligation to update such forward-looking information or statements, except where required by law.

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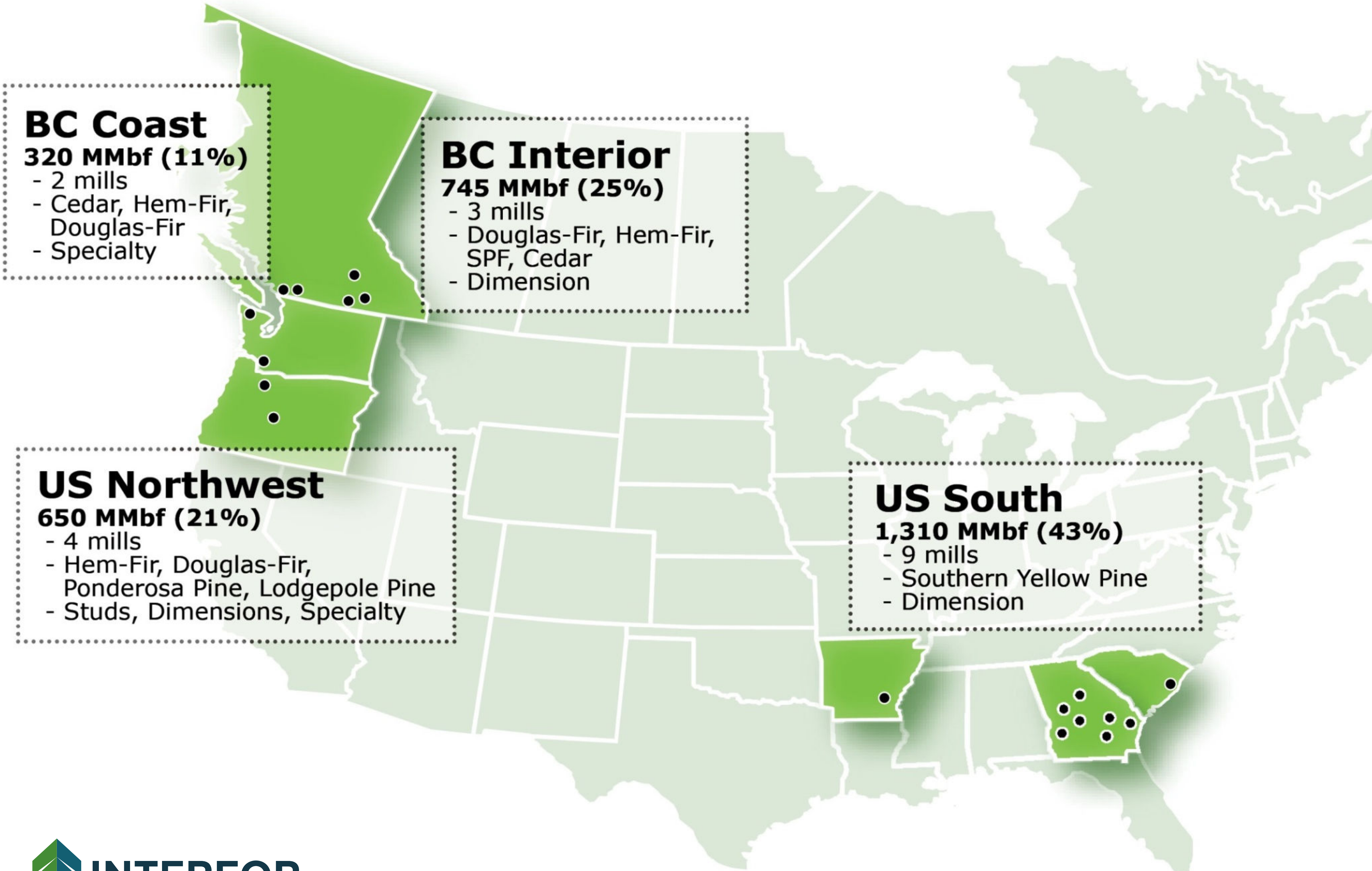
INTERFOR'S FOUR REGIONS



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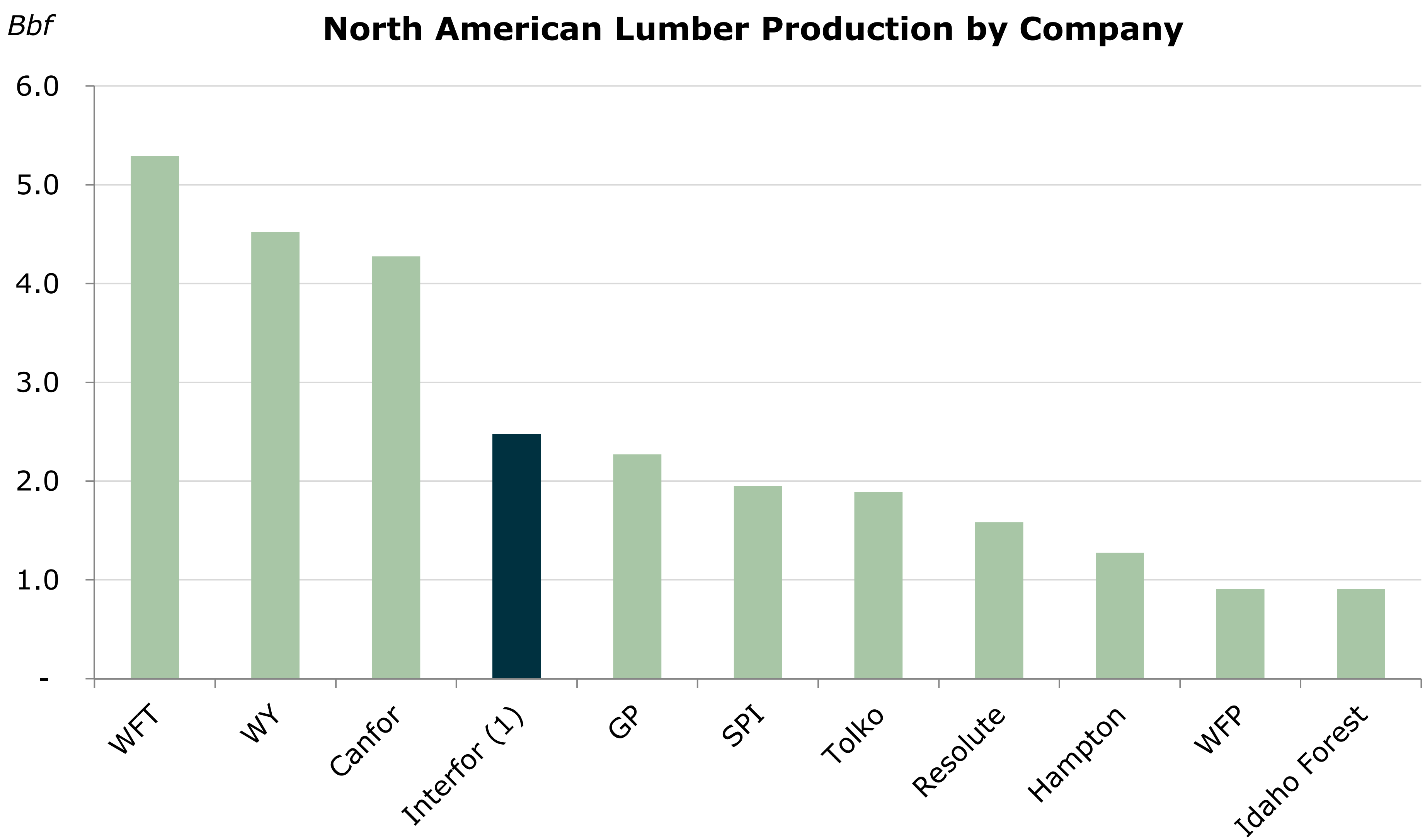
4th LARGEST LUMBER PRODUCER



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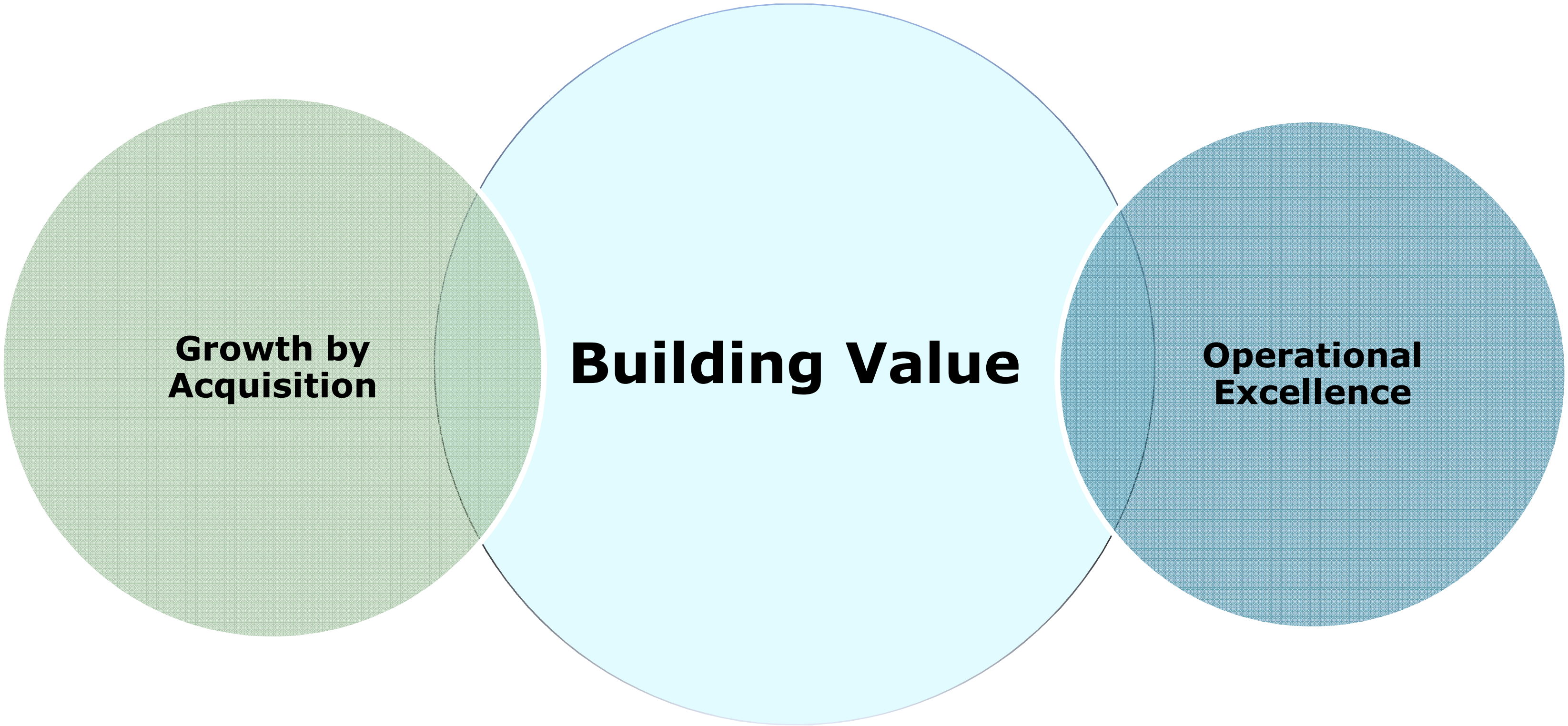
Source: Wood Markets Monthly – March 2015

(1) Annualized Q3-2015 production.

INTERFOR STRATEGIC PLAN



LUMBER MARKETS

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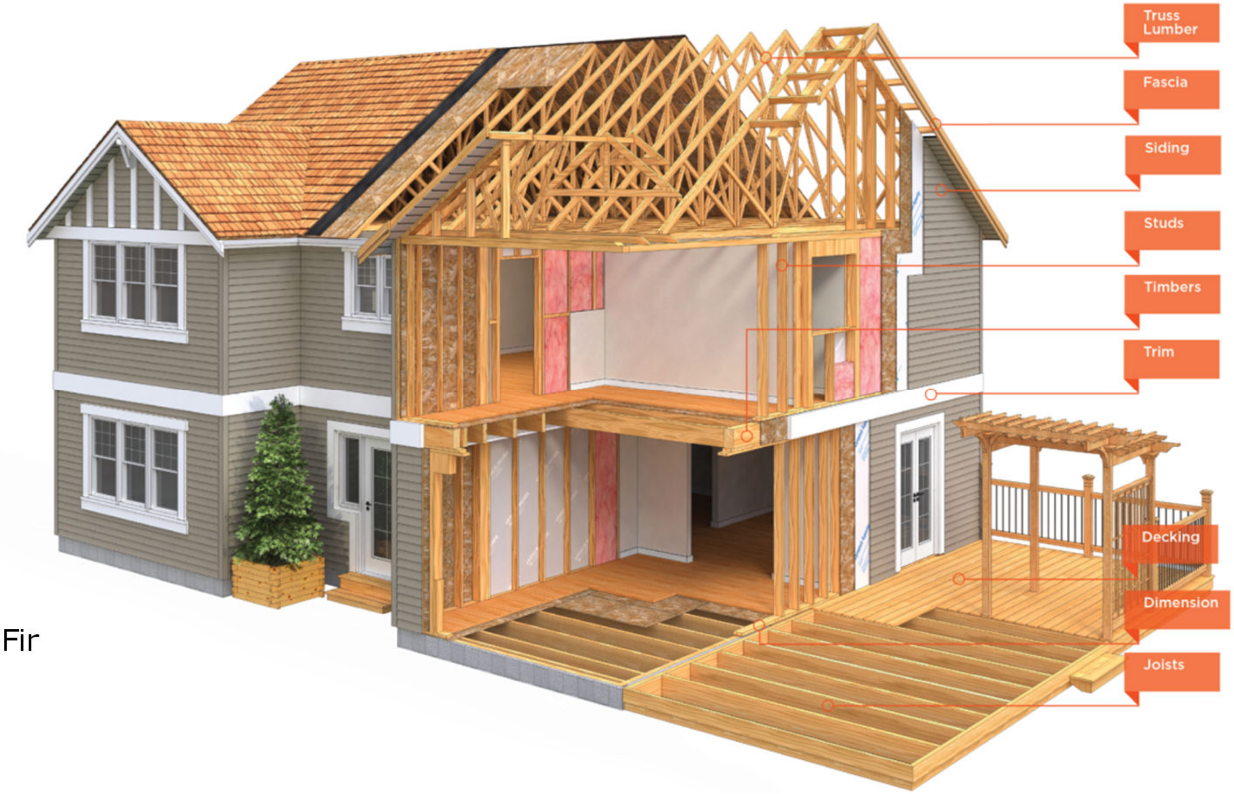
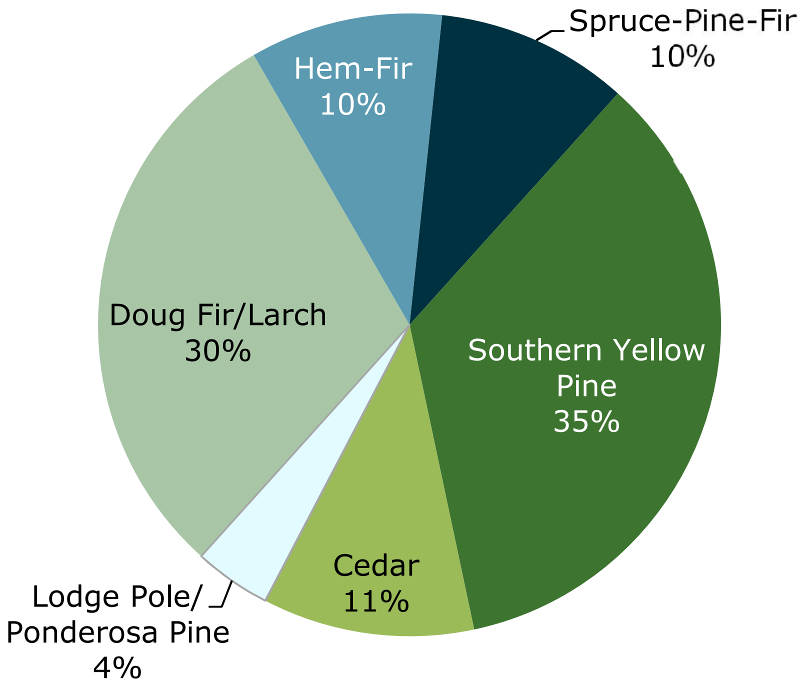
INTERFOR'S DIVERSE LUMBER MIX

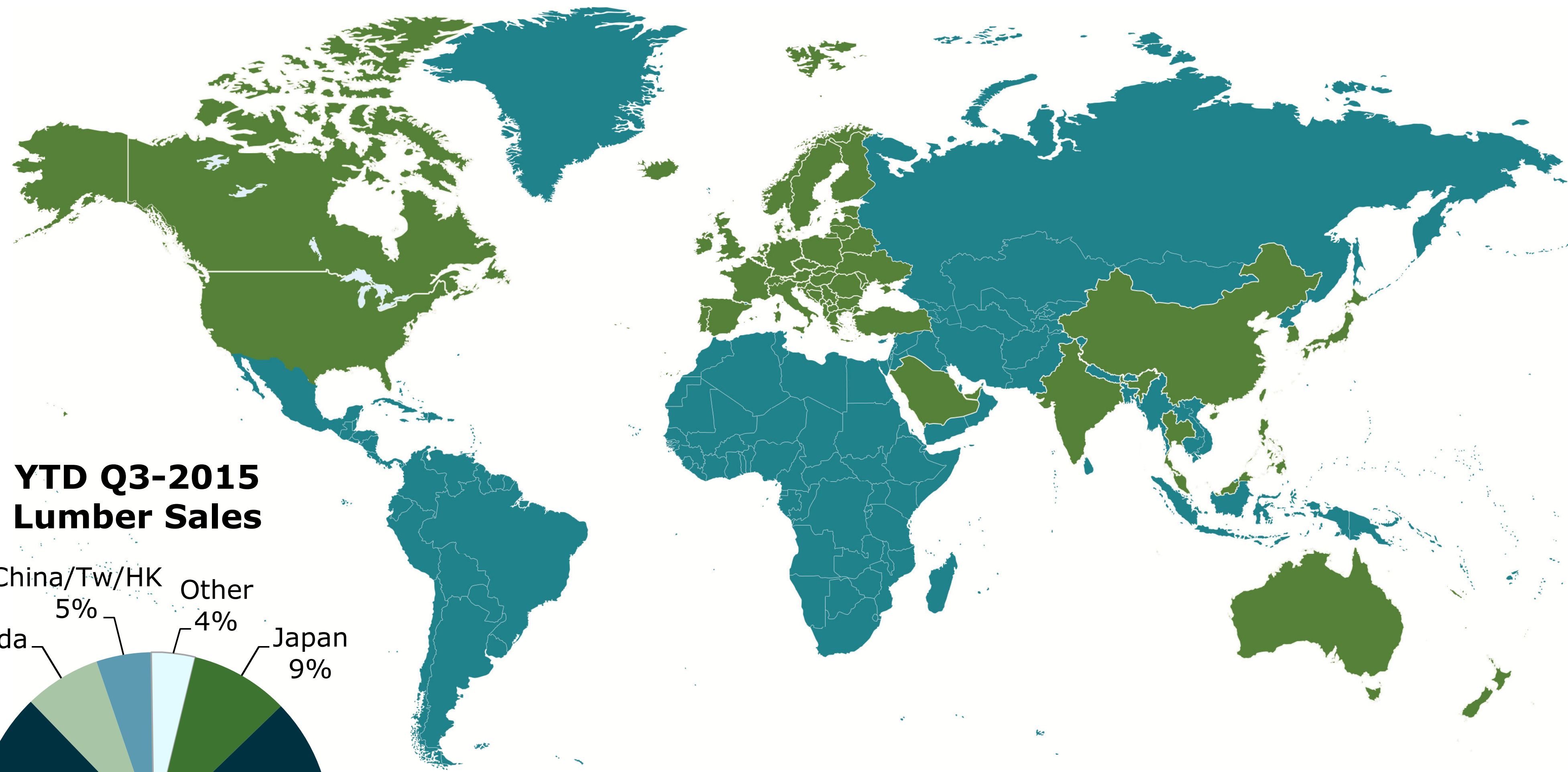


Lumber Sales By Species[1]

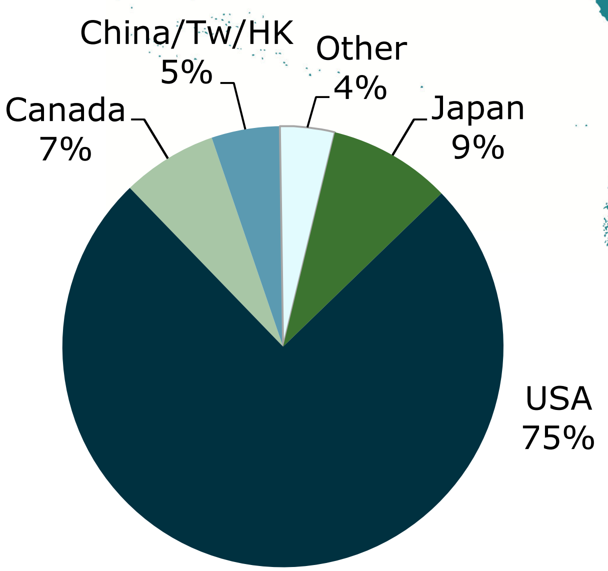


(1) By value for YTD Q3-2015

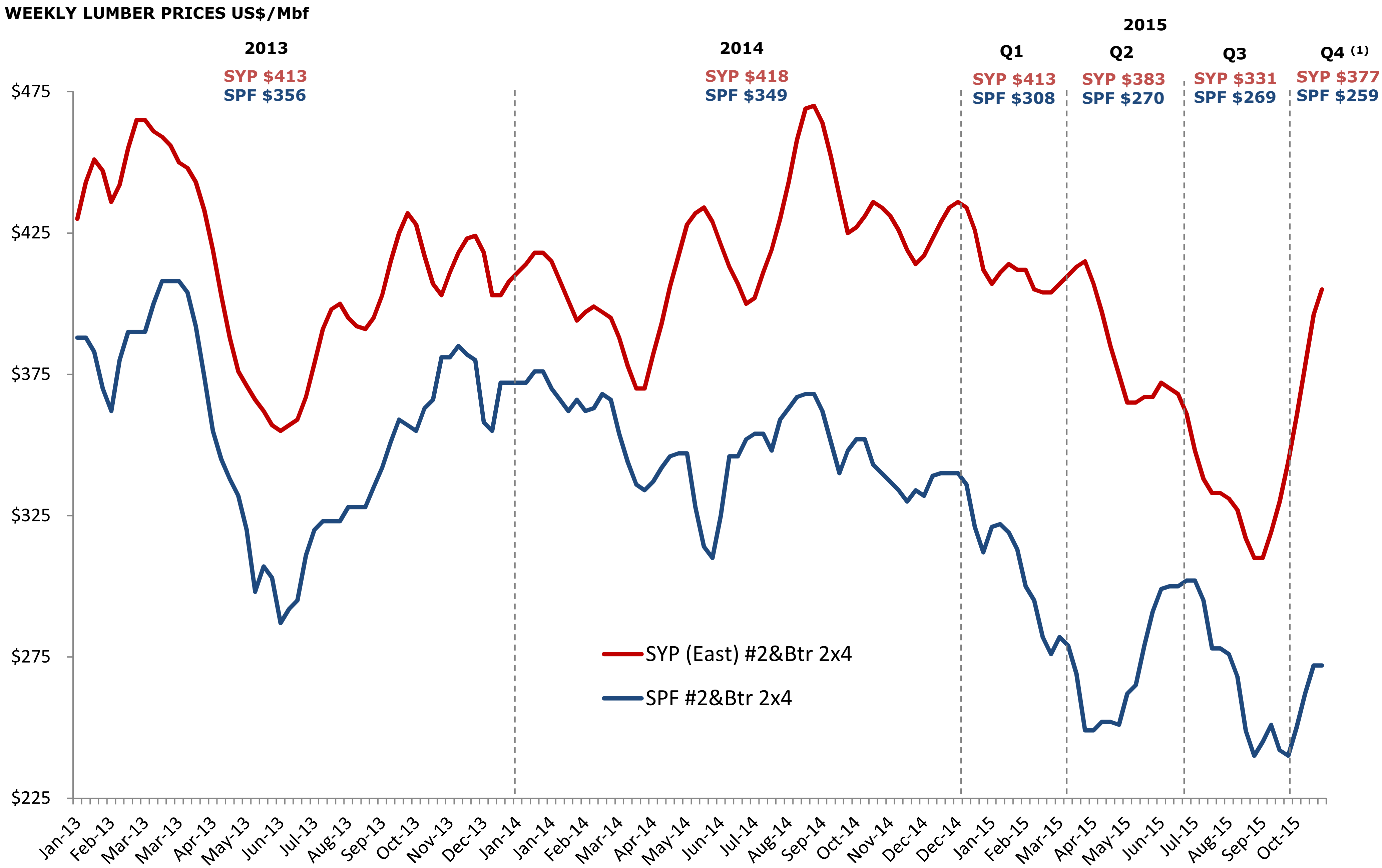
PRODUCTS SOLD AROUND THE WORLD



YTD Q3-2015 Lumber Sales



BENCHMARK LUMBER PRICE TRENDS



Source: Random Lengths

(1) Includes prices up to October 30, 2015

KEY MARKET DRIVERS

	2014[1]	2015E[1]	2016E[1]	2017E[1]
US Housing Starts (mm)	1.0	1.1	1.3	1.5
Change		*+13%*	*+17%*	*+12%*
NA Lumber Consumption (Bft)	48.8	51.3	55.0	58.4
Change		*+5%*	*+7%*	*+6%*
NA Offshore Exports (Bft)	7.6	7.2	6.7	6.3
Change		*-6%*	*-6%*	*-6%*
NA Offshore Imports (Bft)	0.6	0.7	0.9	1.3
Change		*+26%*	*+24%*	*+45%*
NA Capacity (Bft)	72.6	73.6	74.3	74.9
Change		*+1%*	*+1%*	*+1%*
Implied Operating Rate	77%	78%	82%	85%
Change		*+2%*	*+4%*	*+3%*

(1) Source: Forest Economic Advisors (FEA) Monthly Lumber Advisor; Published October 14, 2015

OPERATIONS OVERVIEW

BUSINESS COMPARISONS

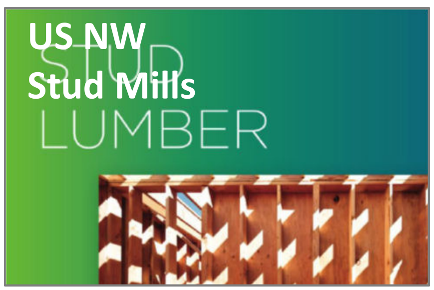
Current Run Rate
Annual Production
(mmfbm)

1,100

- 9 dimension mills in Georgia, S. Carolina and Arkansas
- Low cost wood baskets
- Strong geographic fit/significant operational upside

700

- 3 dimension mills in BC southern interior
- Modern/low cost operations
- Good fiber supply/limited exposure to pine beetle



530

- 3 stud mills in Washington State and Oregon
- Efficient/modern operations
- Margins are more variable than other regions

230

- 3 specialty mills in BC Coast and Oregon
- High value products (eg. cedar, Japanese squares and pine boards)
- More stable prices/margins

US SOUTH DIMENSION MILLS

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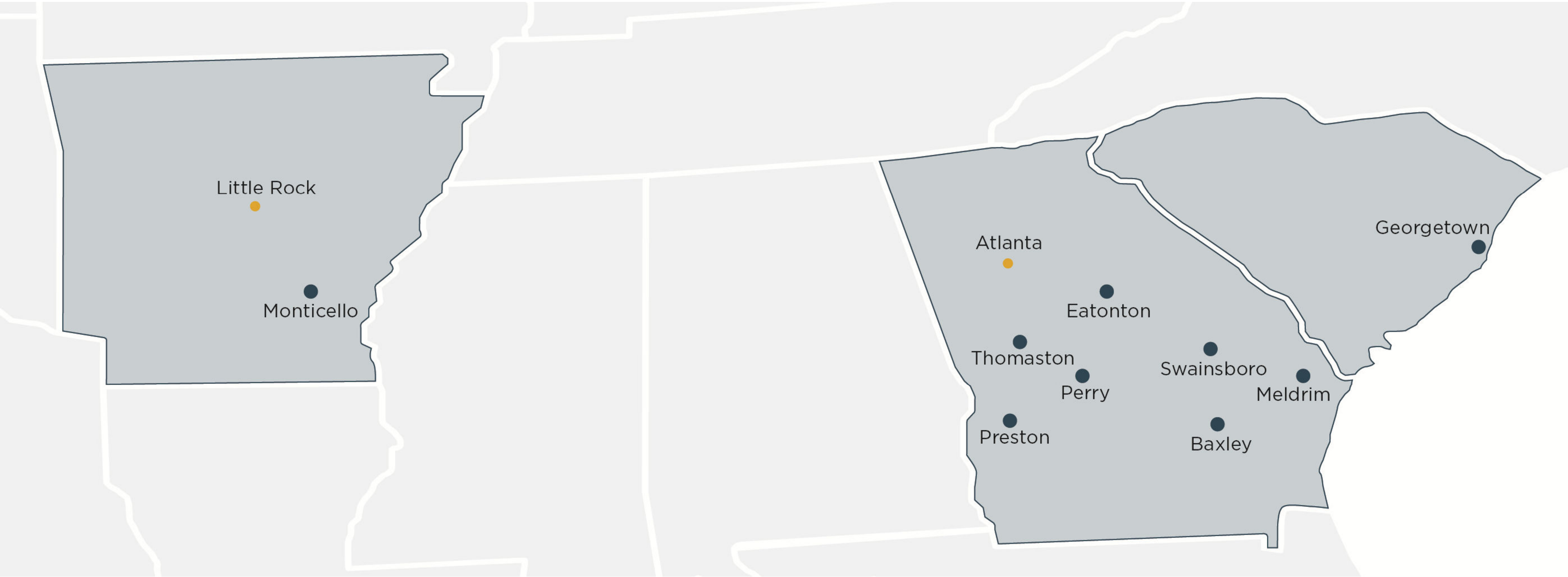
US SOUTH OVERVIEW

- Invested over US$400 million since March 2013
  - 5 acquisitions
- 1,100 employees
- 9 mills
- 1.3 Billion feet of lumber capacity across 3 States
  - Largest lumber producer in Georgia
  - 43% of Interfor's capacity is in the South



US SOUTH: STARTED UP IN 2013

ACQUIRED ***ASSETS***...NOW REPOSITIONING A ***BUSINESS***

Phase 1	Phase 2	Phase 3
• Acquire Assets	• Build Team/Infrastructure • Mill Improvements • Targeted Capex	• Mill Improvements • Optimization • Modest Capex

2013-15 (Phase 1 – Phase 2)

2015-17 (Phase 3)

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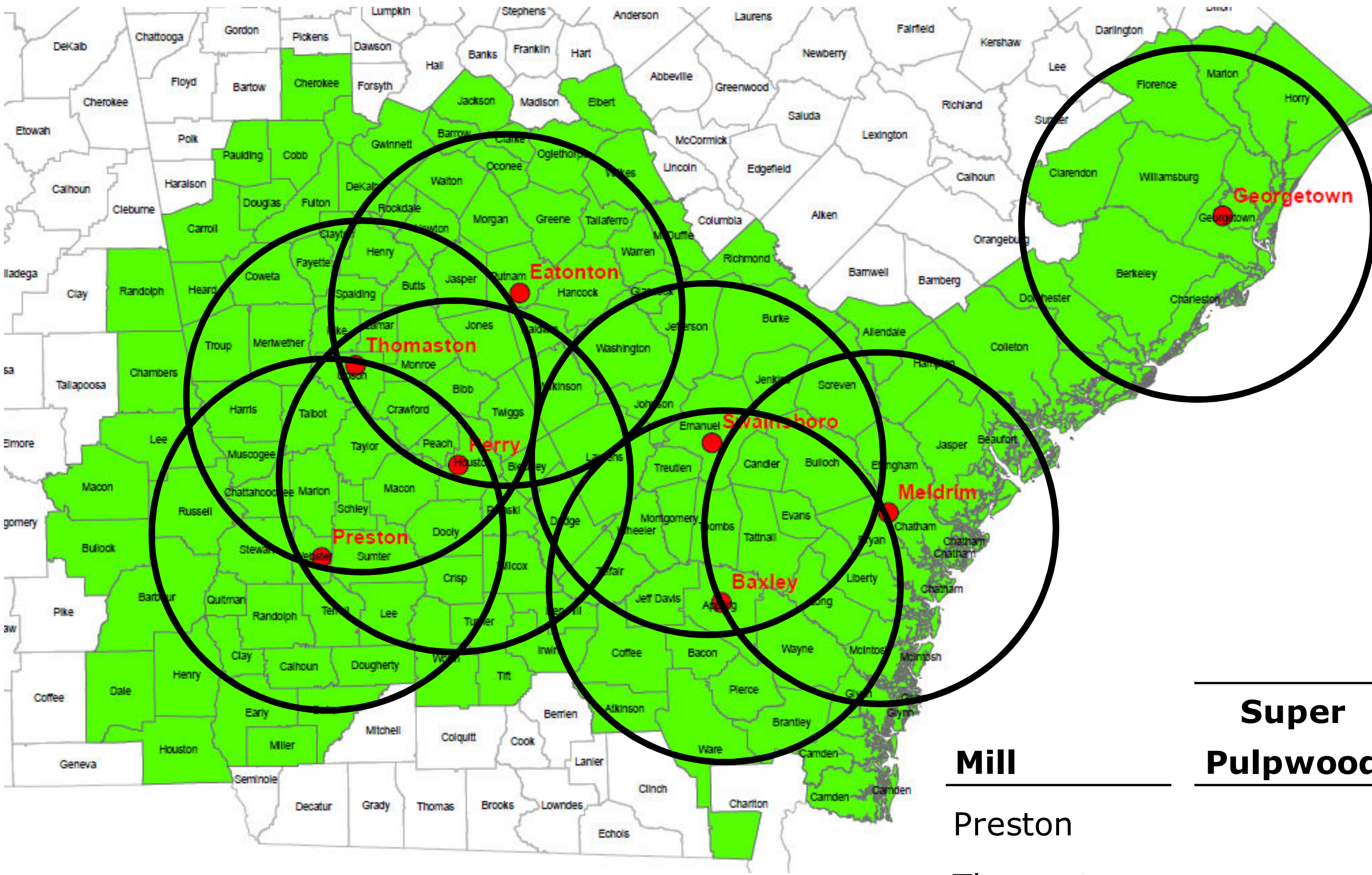
LOGISTICS – RIGHT LOG TO RIGHT MILL



Note: Each circle is a 50 mile radius.

	Log Size			
Mill	**Super Pulpwood**	**Chip-n-Saw**	**Sawtimber**	**Large Sawtimber**
Preston		35%	35%	30%
Thomaston		20%	40%	40%
Eatonton	80%	20%		
Perry		25%	60%	15%
Swainsboro	5%	95%		
Baxley		25%	60%	15%
Meldrim		15%	60%	25%
Georgetown		60%	40%	

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BC INTERIOR DIMENSION MILLS

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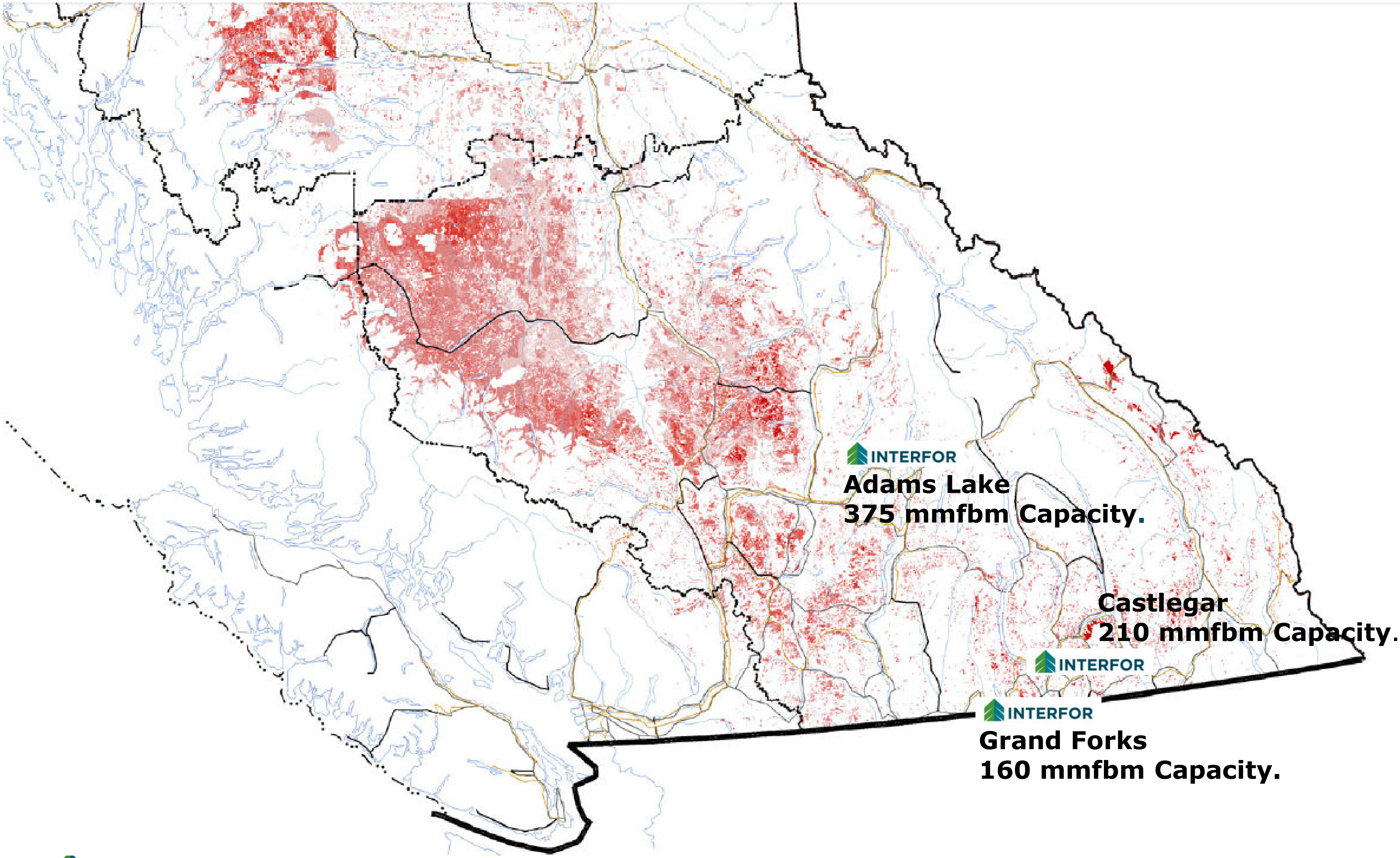
BC INTERIOR OVERVIEW



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BC INTERIOR MODERNIZATION

2008-09

2012

October 2015 Start-up

- 3 MODERN MILLS IN GOOD FIBER BASKETS
- RE-INVESTMENTS ARE COMPLETE
- CONTRUCTION: ON-TIME AND ON BUDGET

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CASTLEGAR PROJECT – BEFORE/AFTER

Canter

Headrig

BC INTERIOR MODERNIZATION – IMPACT

	2007	2015 [1]	Change
Primary Breakdown Lines	8	5	-38%
Annual Production, MMbf	549	700	+27%
Lumber Recovery, bf/m^3	279	307	+10%
Hourly Headcount, FTE	602	406	-33%

[1] Adams Lake & Grand Forks – YTD Q3-2015 annualized; Castlegar – Mill Upgrade Proforma.

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FINANCIAL REVIEW

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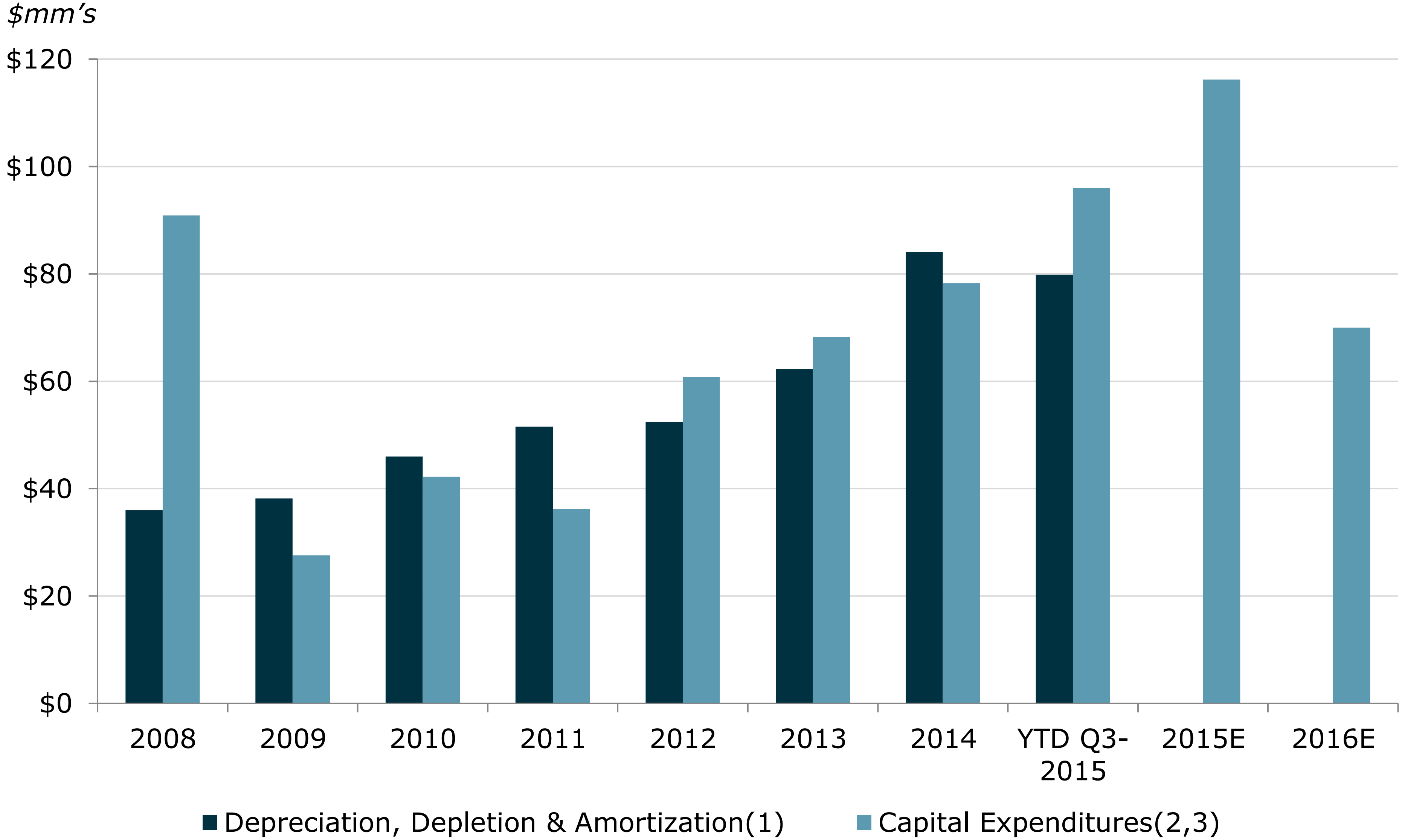
CAPITAL SPENDING PROFILE



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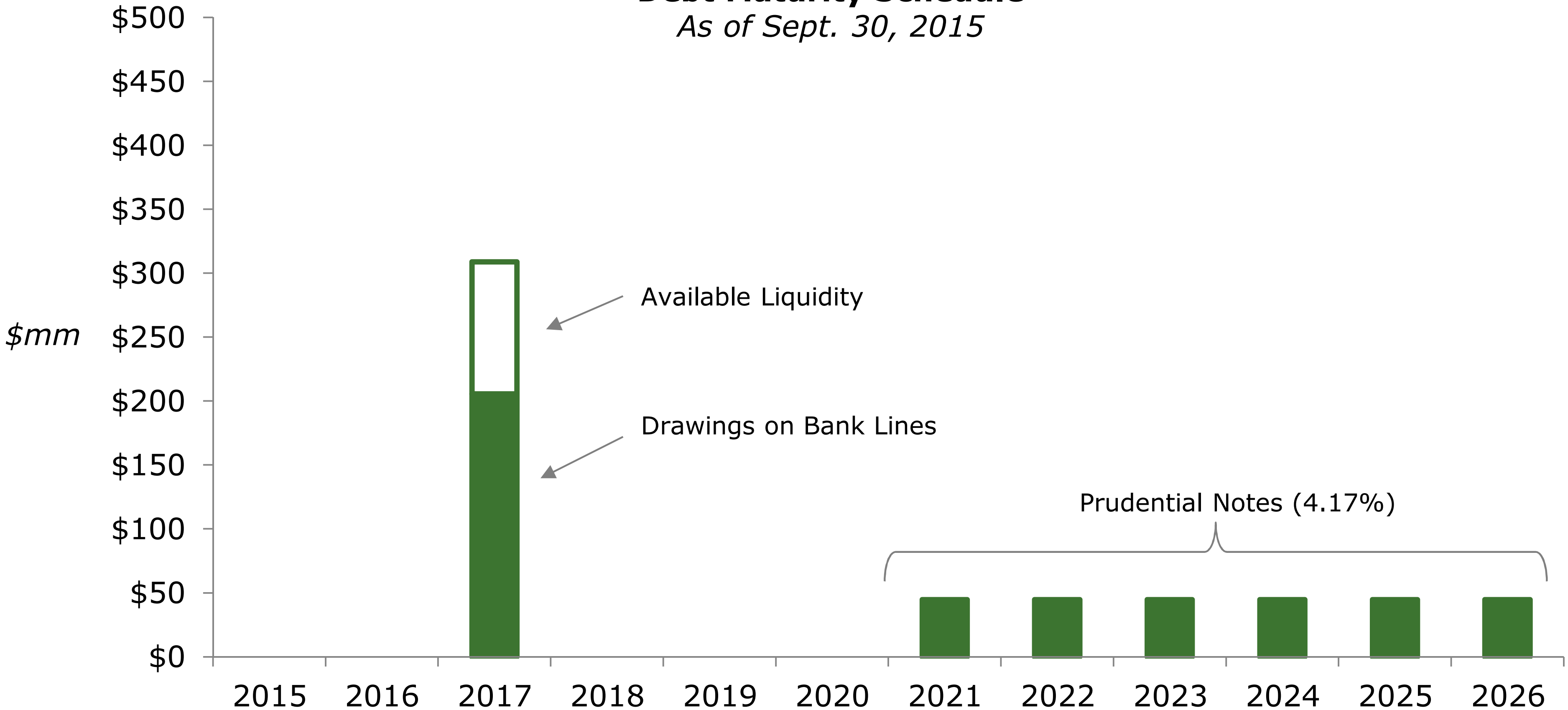
(1) Includes depreciation of plant & equipment and depletion & amortization of logging roads, timbers and other.
(2) Includes additions to property, plant and equipment, additions to logging roads and additions to timbers and other intangible assets.
(3) Does not include additions arising from acquisitions.

CAPITAL STRUCTURE

- Interfor has a prudent capital structure.
- At Sept. 30, 2015 - Available liquidity of $103 mm.

Debt Maturity Schedule
As of Sept. 30, 2015



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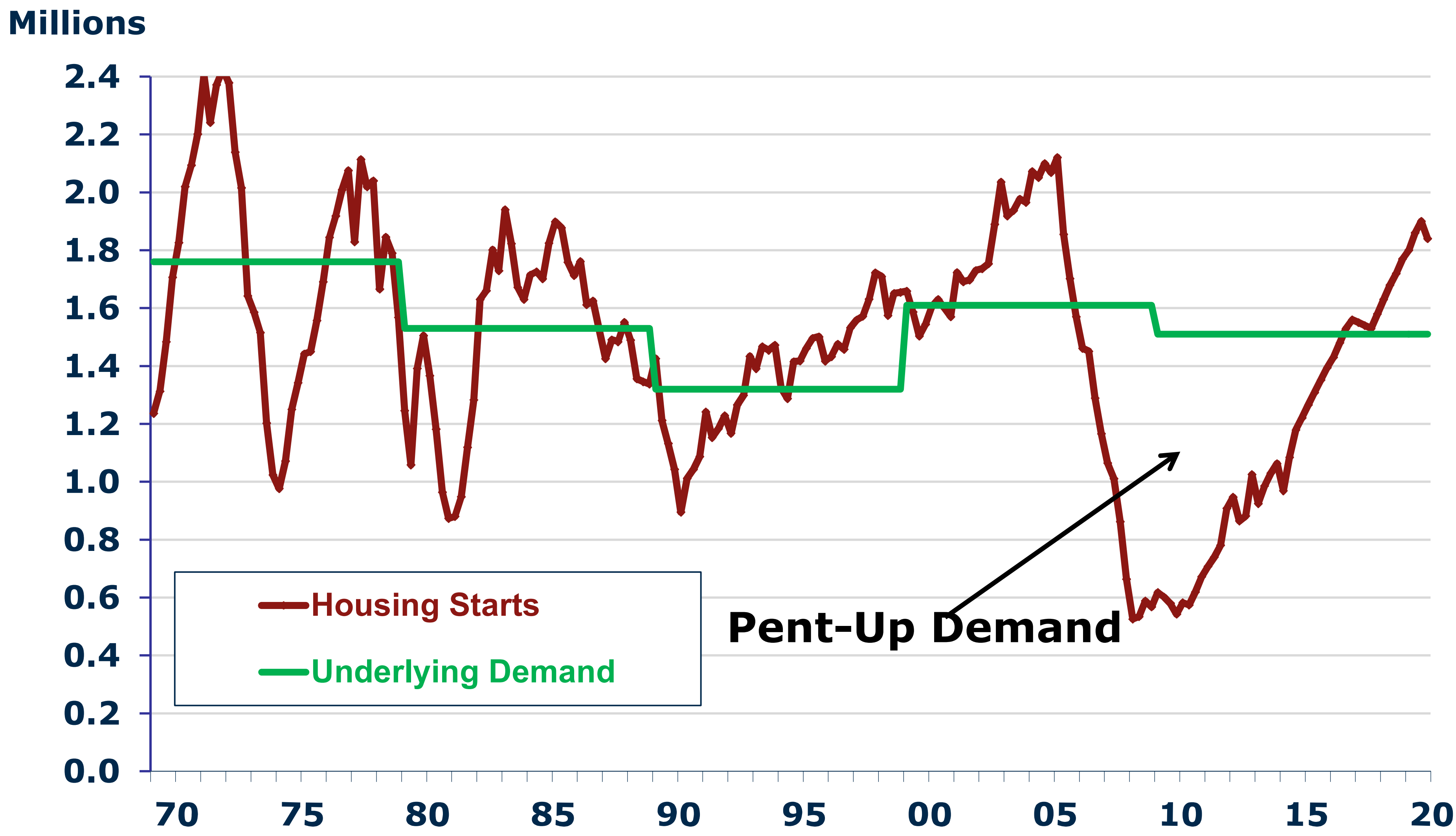
KEY BUSINESS PRIORITIES

1. Tacoma Monetization	• Inventory and equipment sale completed in Q4 • Real estate auction entering final phase • Target net proceeds > cost
2. Castlegar Ramp-up	• Construction on time and on budget • Operational ramp-up is ahead of schedule • Target EBITDA impact(1) of >$10 mm/year by 2016
3. US South Improvements	• Reliability, efficiency, productivity and cost initiatives • "Capital light" approach • Target EBITDA impact(2) of >$35 mm/year by 2016/17
4. Other Initiatives	• Organizational best practices • Focused mill improvements • Target EBITDA impact(2) of >$5 mm/year by 2016/17

(1) Based on variance from pre-construction period. Q3 2015 included a $(3.7) mm EBITDA loss at Castlegar. Excludes the impact from market price changes.
(2) Based on variance from Q3 2015 actual. Excludes the impact from market price changes.

INDUSTRY INFORMATION

US HOUSING STARTS



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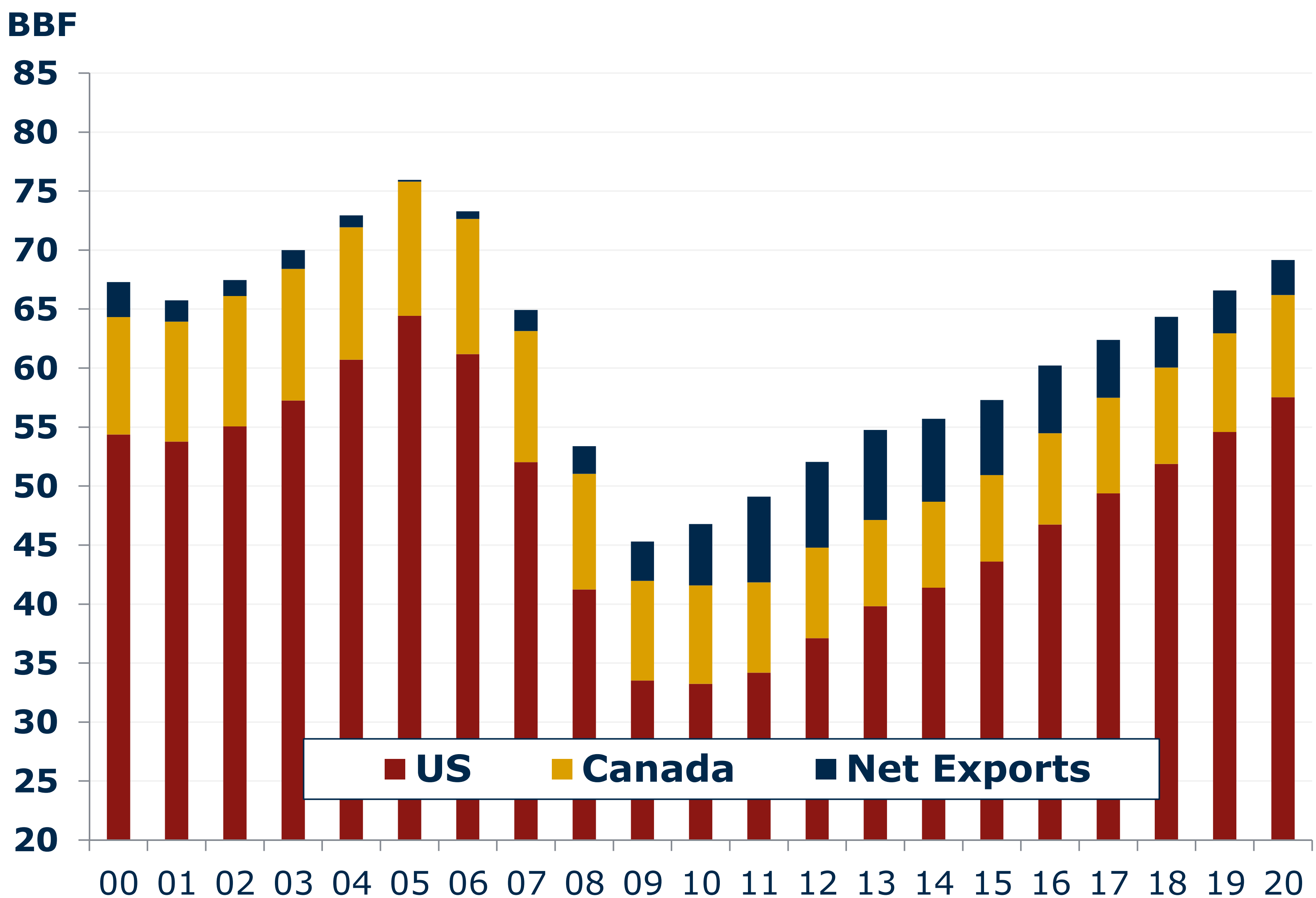
Source: FEA Q3-2015 Forecast; Published October 2015

DEMAND ON NORTH AMERICAN MILLS



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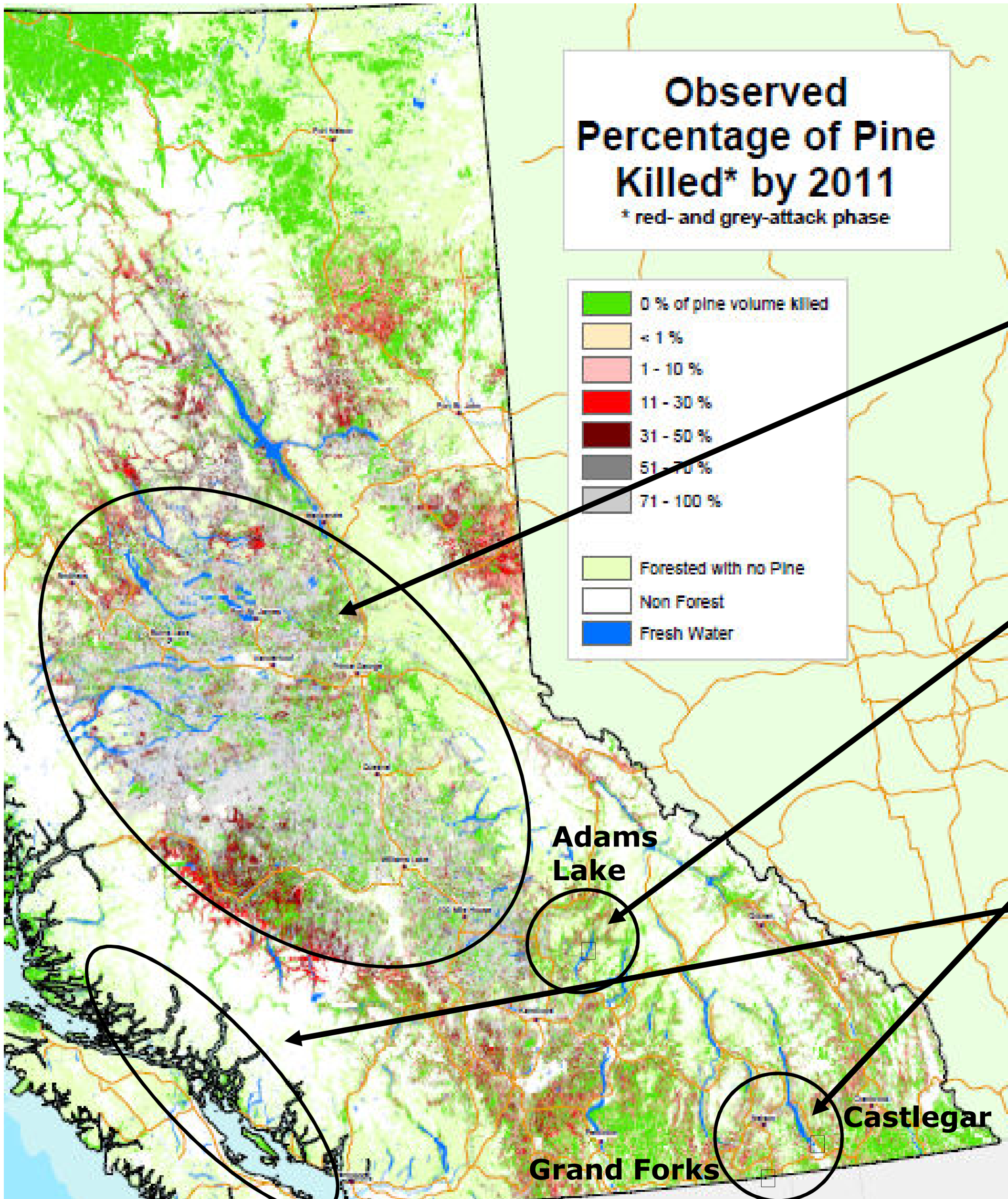
Source: FEA Q3-2015 Forecast; Published October 2015

MPB – AREA AFFECTED

- Interfor's southern BC Interior wood baskets are less exposed to the MPB than BC's central and northern interior regions; the Coast is not exposed.

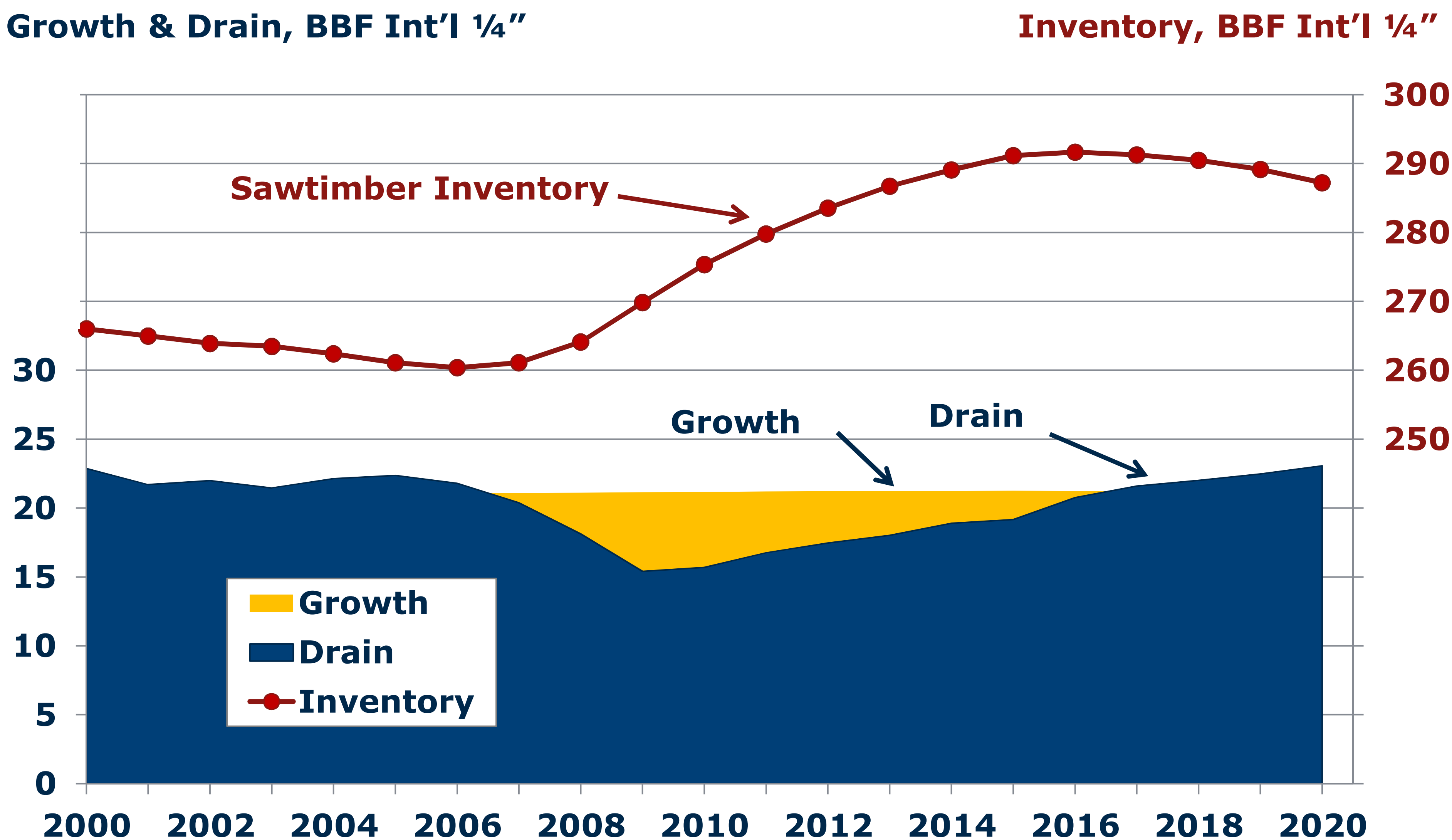


	Interfor AAC[1] MMm³
Central and Northern BC 50 – 75% Pine	0.0
Adams Lake in Southern BC 28 – 30% Pine	0.7
Castlegar & Grand Forks in Southern BC 17% Pine	1.2
Coastal BC Woodlands No Pine	2.0
	3.9

1. Annual Allowable Cut (million m^3)

Source: Ministry of Forests

FAVOURABLE LOG SUPPLY IN US SOUTH



Source: FEA Q3-2015 Forecast; Published October 2015

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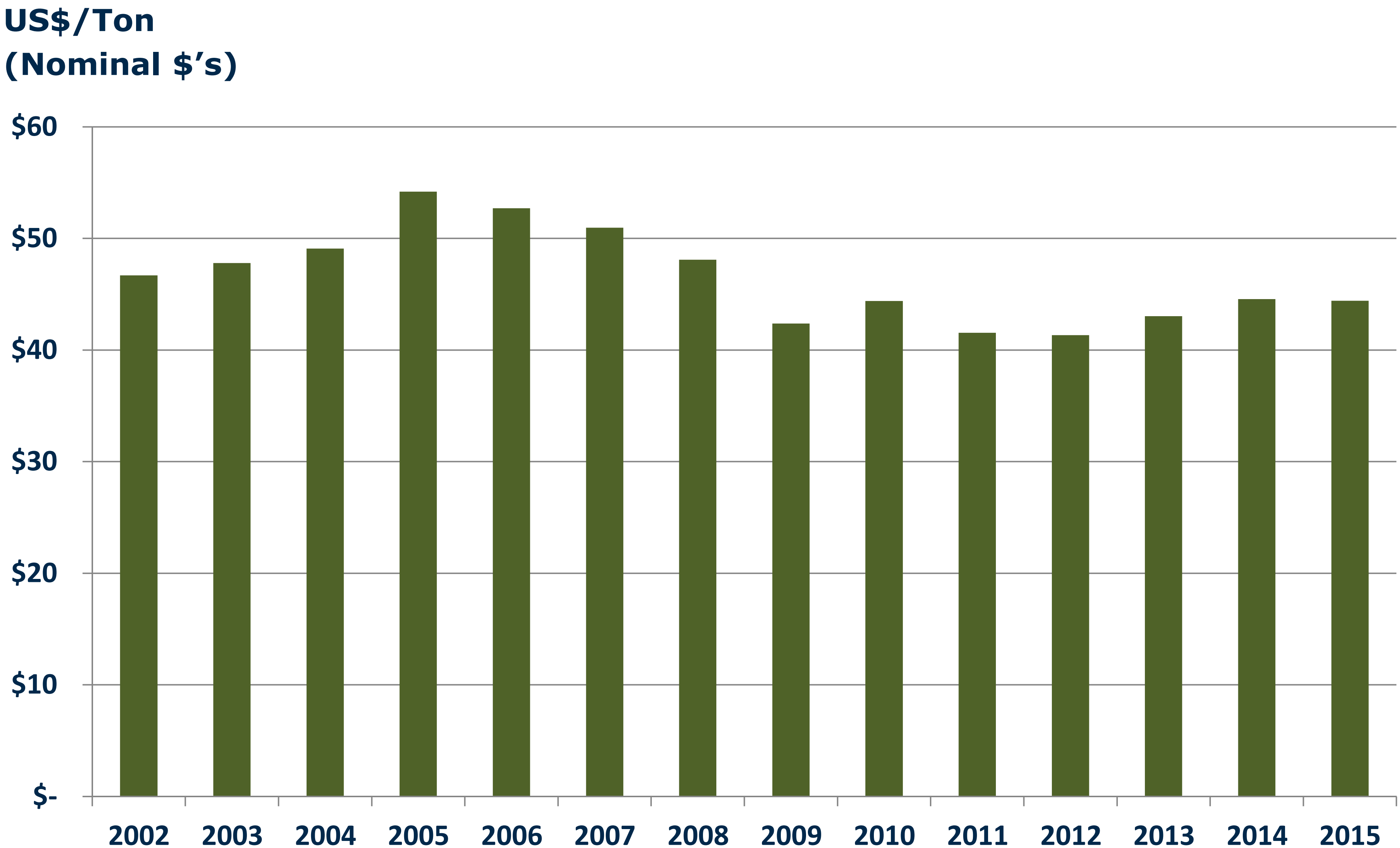
US SOUTH SAWTIMBER PRICES



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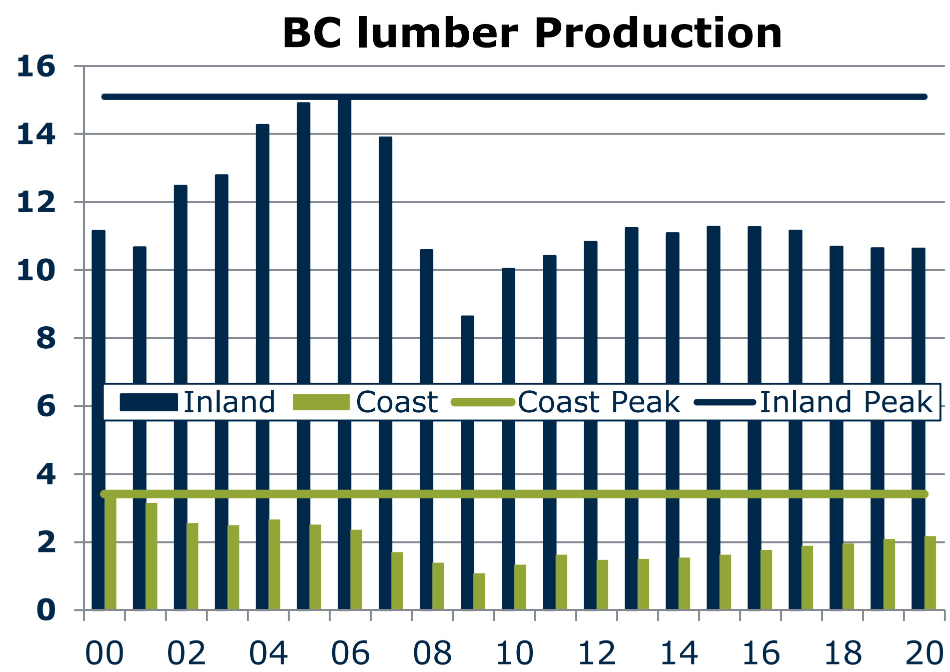
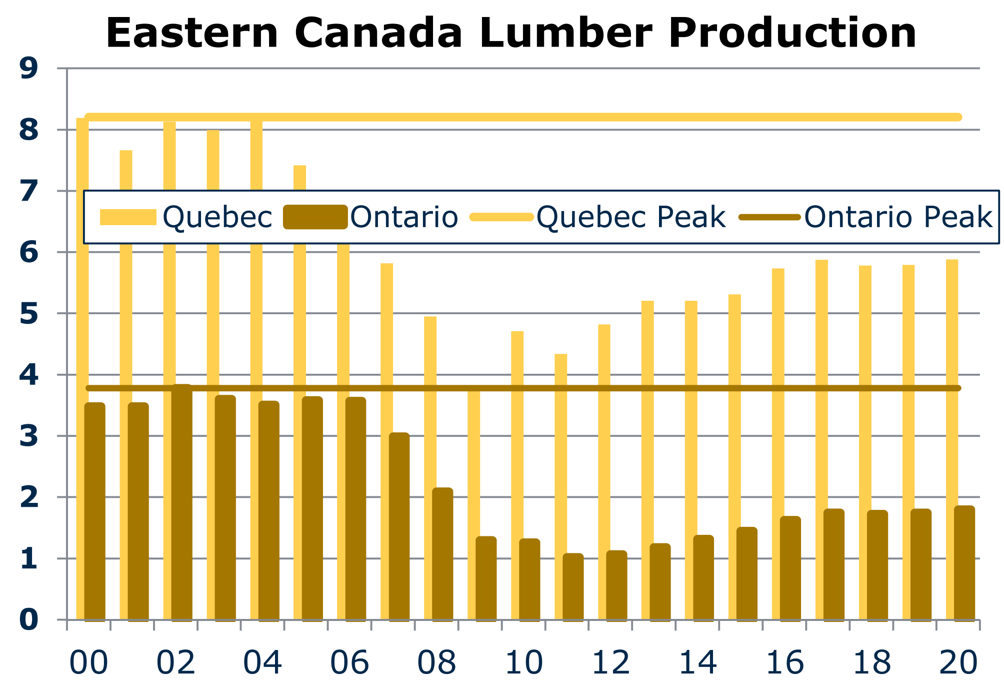
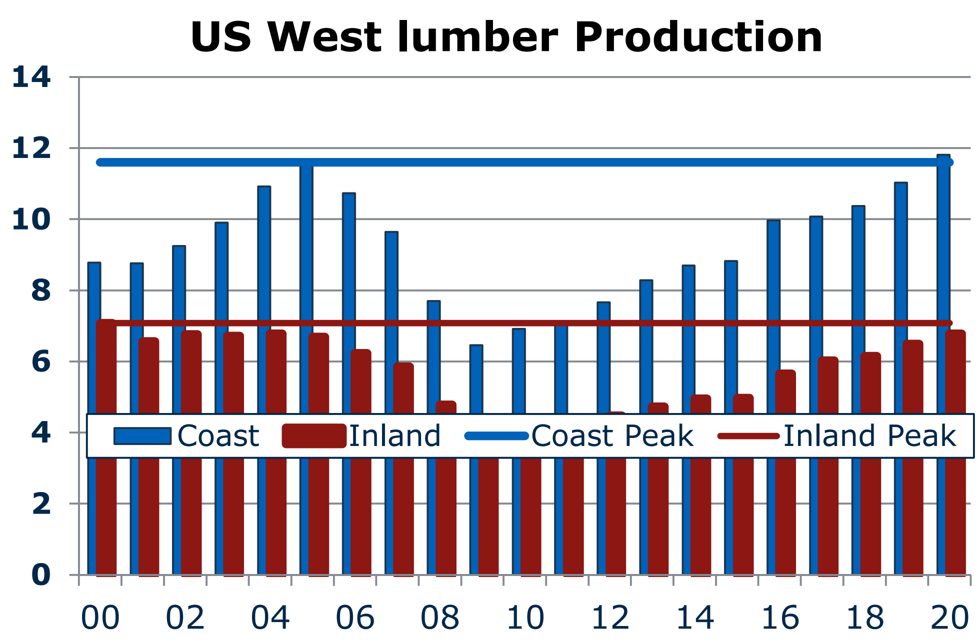
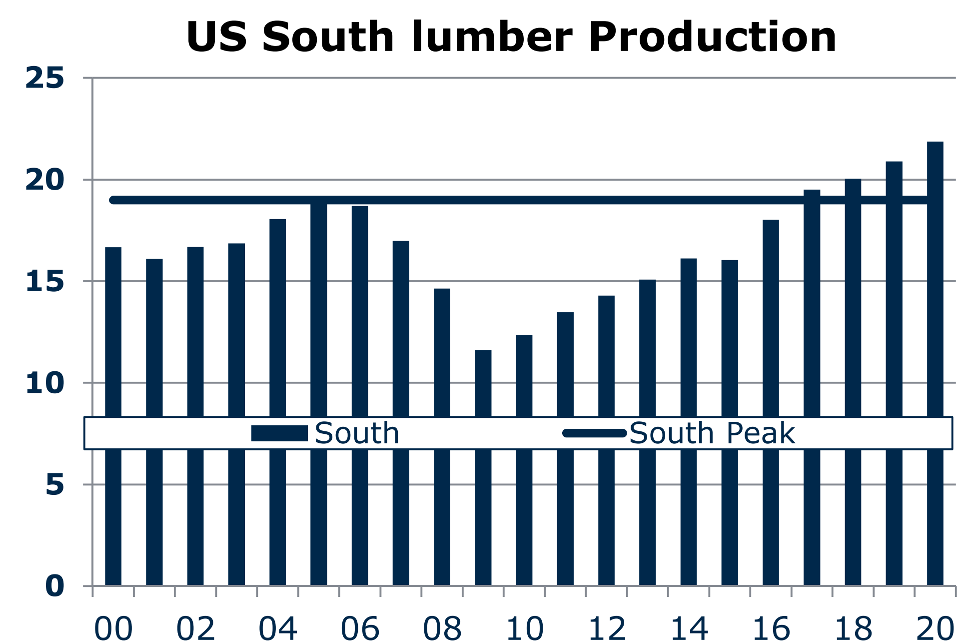
Source: FEA Q3-2015 Forecast; Published October 2015

REGIONAL PRODUCTION VS PEAK (Bbf)









Source: FEA Q3-2015 Forecast; Published October 2015