



International Forest Products Limited

Vancouver, B.C.

March 18, 2011

Interfor announces \$50-million bought deal financing agreement

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

International Forest Products Limited ("Interfor" or the "Company") (TSX: IFP.A) announced today that it has entered into an agreement to issue 7,150,000 Class A Subordinate voting shares (the "Shares") on a bought deal basis to a syndicate of underwriters led by Scotia Capital Inc. and RBC Capital Markets.

The Shares will be publicly offered in Canada under a short form prospectus at a price of \$7.00 per share (the "Offering Price"), representing an aggregate issue amount of \$50,050,000, subject to the fulfillment of certain conditions. Interfor has also granted the underwriters the option to purchase up to an additional 15% of the issue size at the Offering Price, such option to be exercised, in whole or in part, at the sole discretion of the underwriters at closing or a period of 30 days after closing of the transaction.

Proceeds from the offering will be used to complete a number of high-return capital projects, to fund increases in working capital in support of higher operating rates, and to enhance the Company's ability to pursue additional strategic initiatives.

The transaction is subject to the receipt of all necessary regulatory and stock exchange approvals and closing is expected to occur on or about April 8, 2011.

This press release does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "1933 Act"), or any state securities laws and may not be offered or sold within the United States, or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act) absent such registration or an applicable exemption from such registration requirements.

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 two sawmills in the Coastal region of British Columbia, three in the B.C. Interior, two in Washington and two in Oregon. For more information about Interfor, visit our website at www.interfor.com.

Forward-Looking Statements

This release contains information and statements that are forward-looking in nature, including, but not limited to, statements containing the words “will”, “believes” and “is expected” 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: general economic and business conditions, product selling prices, raw material and operating costs, changes in foreign-currency exchange rates and other factors referenced herein and in Interfor’s current annual report and management information circular available on www.sedar.com. The forward looking information and statements contained in this report 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.

For further information:

John A. Horning

Senior Vice President, Chief Financial Officer and Corporate Secretary

(604) 689-6829