

**CANADIAN FOREST SERVICE
PLANTATION INVESTMENT EXPERTS FORUM**

MARCH 22 & 23, 2005

Toronto, Ontario

Alberta- Pacific Forest Industries



▼ Boreal Mixedwood

▼ 58,000 km²
or 5.8 million ha
Forest Management
Agreement area

▼ Al-Pac's annual
allowable cut

- 2.2 million m³
deciduous
- 370,000 m³
coniferous



Overlapping Land Use



Forestry



Oil and Gas



Humans and
Their
Infrastructure

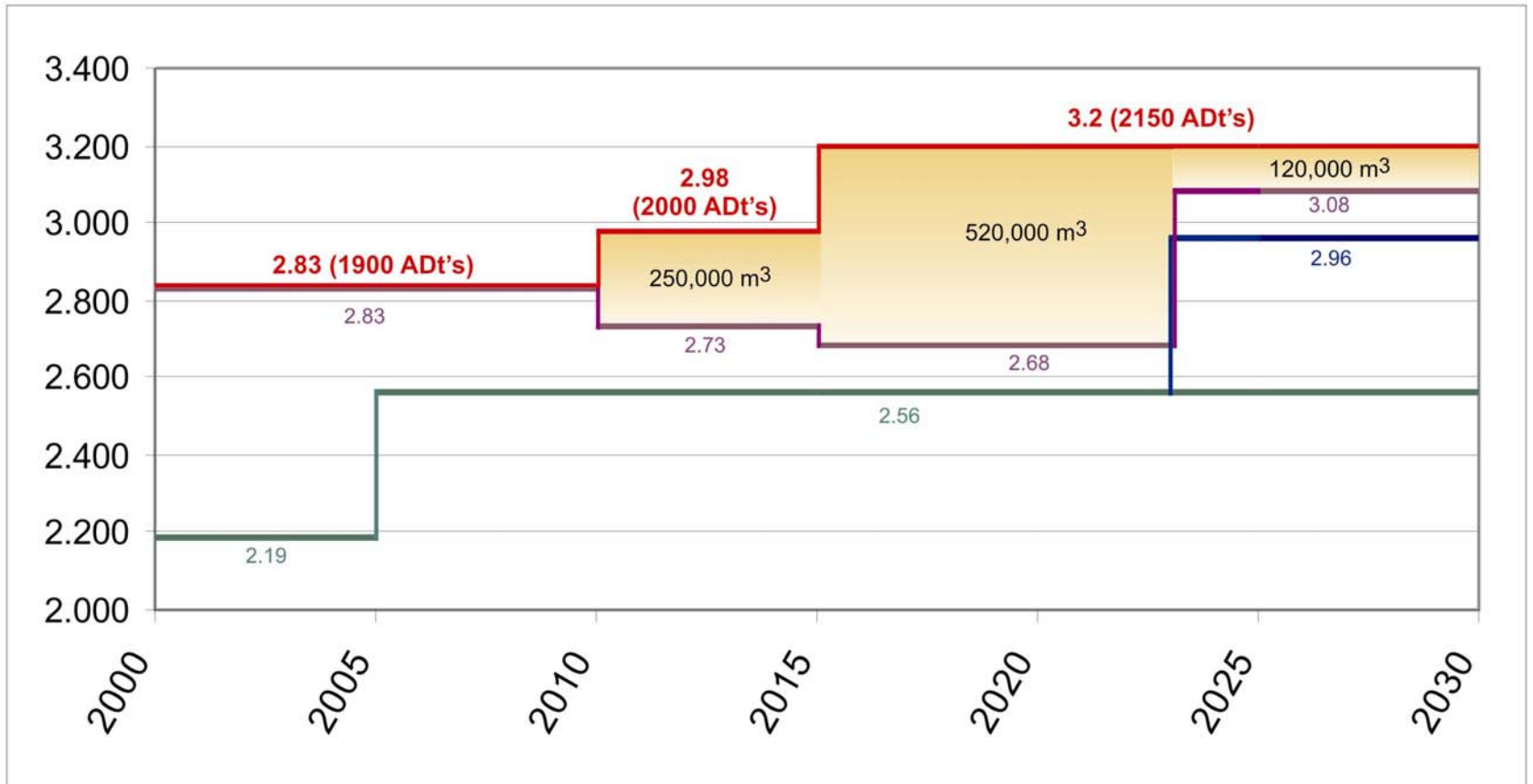


Agriculture



Peat
Mining

We Are Not Alone!



— FMA AAC
 — Plantations
 — Non-FMA
 — Mill Production

Plantation Activities

- Past
 - Multiple trial sites throughout north-central Alberta
 - Large field trial 1995
 - Provincial Order of Council for exception to Foreign Ownership of Land Regulation
 - Operational plantation beginning 2000

Plantation Activities

- Present
 - 3409 hectares planted to date
 - 718 hectares company owned land
 - Targeting 1200 ha per year for 20 years
 - Deployed 7 varieties hybrid poplar
 - Leasing private farm land for 20 years
 - Forest 2020 program

Key Characteristics

- Presently Projected Positive ROI
 - ROI can have a moving minimum threshold
- Targeting :
 - 16 m³ / ha / year and a harvest of approx. 300 m³ per ha.
 - Close proximity to mill site
 - Larger parcels of land
 - Develop Aboriginal site prep and maintenance
- Recognition and implementation of a genetics program
- Fast growing / hardy/ wood density
- Capable of growing over wide range of area
- Carbon values are understated in modeling

Considerations and Issues

- Research re:
 - Risk of genetic pollution
 - Carbon sequestration in soil, species, root mass
 - Supported present and future value of carbon
 - Support effluent use in plantations
- Public relations and education
- Foreign ownership of land regulations / restrictions
- Pesticide registration for special use crops
- Development of next generation of hybrids
- Federal and Provincial recognition of other plantation values
- Make available Federal and Provincial lands