

September 15, 2008

**DAISHOWA-MARUBENI INTERNATIONAL LTD.
Peace River Pulp Division**

Final Annual Operating Plan

INTRODUCTION

This plan for Operating Area **DTLP160001** issued under **DTA160001** covers the operating period from September 15, 2008 to April 30,2009.

The proposed location of manufacture for deciduous volume harvested under the authority of this plan is the Daishowa-Marubeni International Ltd., Peace River Pulp Mill located near Peace River, Alberta.

Incidental coniferous timber harvested as a result of deciduous harvesting operations, will be directed to Manning Diversified Forest Products (MDFP).

Table 7 of Peace River Pulp Division's (PRPD) 2008 General Development Plan (GDP) summarizes incidental conifer volumes and destination.

This plan is not integrated with MDFP. DMI is working with MDFP as much as possible to coordinate harvesting in the area.

Upon delivery to the respective mill sites all material will be weigh scaled.

DECIDUOUS PRODUCTION (Quadrant)

CONIFEROUS PRODUCTION (FMA)

Proposed production for this timber year:

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Deciduous Dominated Stands: **40,594m³**
Incidental Deciduous: **0 m³**

Coniferous Dominated Stands: **7,831 m³**
Incidental Coniferous: **0 m³**

The deciduous production record is summarized in **Table 1** of PRPD's 2008 GDP.

WOOD OPERATIONS

Deciduous operating conditions and merchantability standards are subject to the MDFP Timber Harvest Planning and Operating Ground Rules, Operating Conditions listed in Section 5 of PRPD's General Development Plan and any additional Operating conditions listed in the Alberta Sustainable Resource Development (ASRD) Letter of Approval.

The coniferous operations and merchantability standards will comply with the MDFP Timber Harvest Planning and Operating Ground Rules and any additional Operating conditions listed in the ASRD Letter of Approval.

Road Construction

Class V Roads

In-block roads will be installed during harvest . The block roads will be reclaimed upon completion of hauling. Road numbers correspond to the block they lead to.

Access Construction:

Road Number	Class	Frozen or Non-frozen	Tenure	Development Required	Reclamation	Company
602	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
603	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
605	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
607	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
609	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
650	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
651	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
652	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP
653	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	MDFP

STREAM CROSSINGS

The table below lists the crossings to be utilized during this timber year. This table does not list crossings that are located on routes held under LOC by DMI or other companies.

The crossings constructed with snow or log fills will be removed after operations are completed.

The crossings listed in this table do not require any approval from Department of Fisheries and Ocean Canada or the Water Management Division of Alberta Environment.

Crossing No.	Structure	Stream Class	Company
12	Log/Snow Fill	Small permanent	MDFP
9	Log/Snow Fill	Small permanent	MDFP
10	Log/Snow Fill	Intermittent	MDFP
11	Log/Snow Fill	Intermittent	MDFP
7	Log/Snow Fill	Intermittent	MDFP
8	Log/Snow Fill	Intermittent	MDFP

OPERATIONS

Deciduous operating conditions and merchantability standards are subject to the MDFP Timber Harvest Planning and Operating Ground Rules, Operating Conditions listed in Section 5 of the PRPD General Development Plan and any additional Operating conditions listed in Alberta Sustainable Resource Development (ASRD) Letter of Approval.

Within DUA stands every effort will be made to preserve as much understory as possible with the intent of bringing these stands back to a DC standard.

Coniferous harvesting will be mechanized and completed with a feller-buncher, grapple skidder, and delimeter with tree-length haul to the sawmill.

Deciduous harvesting will utilize a Feller-buncher, grapple skidder and delimeter with tree-length haul to the pulp mill.

TRAPPER NOTIFICATION

All Trappers will receive a copy of this Final AOP.

Number	Holder	Contact Date	Method
2147	Myron Edward Krupinski	June 2007 October 2007 June 2008 September 2008	Registered Mail Registered Mail Registered Mail Registered Mail
2187*	Dean Yardley	June 2007 October 2007 June 2008 September 2008	Registered Mail Registered Mail Registered Mail Registered Mail
1233	Dennis Sivertson	June 2007 October 2007 June 2008 September 2008	Registered Mail Registered Mail Registered Mail Registered Mail

* Dean Yardley is the only trapper affected this season.

DESIGN CONSIDERATIONS

The design considerations for this Annual Operating Plan have been taken from the Manning Diversified DFMP.

1. Implement a single-pass harvest system that utilizes natural stand boundaries as block boundaries to avoid potential fragmentation of the landbase.
2. Retain area within harvested areas as outlined in MDFP Detailed Forest Management Plan.
3. Design in-block roading that minimize road construction, reclamation requirements, and minimize access throughout the area after harvest.

CUTBLOCK SUMMARY

The cutblock summary is listed below.

Block Number	Total Area (ha)	GPS Retention Area (Ha)	GPS Retention (%)	DEC. VOL. (m ³)	CON. VOL. (m ³)	Inc. Dec	DUA STANDS
602	40.9	0.0	0.0	10,904	2,124	0	
603	14.4	0.0	0.0	2,874	542	0	
605	27.4	0.0	0.0	8,213	1,486	0	
607	7.0	0.0	0.0	1,825	330	0	
609	9.5	0.0	0.0	1,555	291	0	
650	4.1	0.0	0.0	614	105	0	
651	19.6	0.0	0.0	4,651	944	0	
652	13.7	0.0	0.0	2,576	673	0	
653	36.9	0.0	0.0	7,382	1,336	0	
Totals	173.5			40,594	7,831		

Retention: Operational Retention

SLASH DISPOSAL

- Slash disposal, of top and limb accumulation from tree length harvesting and access clearing debris, will be piling and burning.

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If debris is to be left on site to be disposed of by burning, the Forest Protection Division "Debris Disposal Guidelines" criteria regarding pile size and spacing will be adhered to. DMI will inform ASRD of any debris disposal strategy changes.

REFORESTATION PROGRAM

The Reforestation Table below outlines the proposed harvest system, silviculture system (strategy) and reforestation tactic for the blocks to be harvested.

SILVICULTURE STRATEGIES

DISPOSITION	Block	(ha) (0.1 ha)	FROZEN or NONFROZEN HARVEST	Proposed Harvest System	SILVICULTURE SYSTEM	REFORESTATION TACTIC	DUA STANDS
DTLP160001	602	40.9	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	603	14.4	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	605	27.4	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	607	7.0	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	609	9.5	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	650	4.1	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	651	19.6	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	652	13.7	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	653	36.9	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
	Total (ha):	173.5					

Block declarations can be found in the FHP.

ENDORSEMENT OF FHP BY FMA HOLDER
ENDORSEMENT OF FHP DTLP160001:

Both companies have reviewed this FHP.

FHP prepared by:	Reviewed By FMA Holder:
Name: Trina Tosh RPFT 070056	Name: Clarence Budal RPFT#040041
Position: Forest Resources Supervisor - Planning	Position: Woodlands Supervisor of Operations
Signature: _____	Signature: _____
Date:	Date: _____
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