

August 6, 2008

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

FINAL Annual Operating Plan

INTRODUCTION

This plan for Operating Area **DTLP160001-Area 2** issued under **DTA160001** covers the operating period from August 18, 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. MDFP is not working in this area at this time.

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: **85,411 m³**
Incidental Deciduous: **0 m³**

Coniferous Dominated Stands: **0 m³**
Incidental Coniferous: **15,784m³**

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
204	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
210	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
215	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
217	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
218	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
219	V	Non-Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI

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
202	Culverted logfill	Intermittent	DMI

OPERATIONS

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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 a bush chipper hauling chips to the pulp mill.

TRAPPER NOTIFICATION

All Trappers will receive a copy of this Final AOP..

Number	Holder	Contact Date	Method
2031	Brian Clements	August 2008	By Phone Registered Mail
1601	Marc Bieraugle	August 2008	By Phone Registered Mail

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
204	31.8	0.7	2	6,350	1,275		
210	43.9	2.1	5	8,781	1,589		
215	21.4	0.6	3	4,246	868		
217	15.0	0.5	3	3,671	664		
218	10.9	1.0	8	2,987	649		
219	202.2	4.4	2	59,376	10,739		
Totals	325.2	9.3	3	85,411	15,784		

<u>BLOCK OPENING TABLE</u>	
Block Numbers	Total Area
219	202.2

All of the above blocks are within MDFP's alternative caribou management zone and are being sequenced in a way to help achieve the goals surrounding this area. See attached Caribou Strategy

Detailed block plans will be submitted for blocks over 100 ha before operations commence.

SLASH DISPOSAL

- Slash disposal, of top and limb accumulation from tree length harvesting and access clearing debris, will be piling and burning.
- Debris disposal from chipping will be spread out along with the tops and limbs from the tree length operations, then piled and burned.

If chipping 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	204	31.8	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	210	43.9	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	215	21.4	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	217	15.0	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	218	10.9	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001	219	202.2	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
	Total (ha):	325.2					

ENDORSEMENT OF FHP BY FMA HOLDER
ENDORSEMENT OF FHP DTLP160001-Area 2:

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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