

September 22, 2008

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

Final Annual Operating Plan

INTRODUCTION

This plan for Operating Area **DTLP160001-Area 3** issued under **DTA160001** covers the operating period from September 22, 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: **105,398 m³**
Incidental Deciduous: **17,721 m³**

Coniferous Dominated Stands: **14,365 m³**
Incidental Coniferous: **22,316 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
22	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
300	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
301	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
303	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
304	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
305	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
306	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
307	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
308	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI

Road Number	Class	Frozen or Non-frozen	Tenure	Development Required	Reclamation	Company
919	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
3008	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and Piling as required	DMI
3030	V	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
300	Log/Snow Fill	Intermittent	DMI
301	Log/Snow Fill	Intermittent	DMI
302	Log/Snow Fill	Intermittent	DMI
303	Log/Snow Fill	Intermittent	DMI

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 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
1755	Rodney Karpiak	September 2008	Registered Mail
1236	Kirk Vandemark	September 2008	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. (m³)	CON. VOL. (m³)	Inc. Dec	CON. VOL. (m³)	DUA STANDS
22	24.9	2.6	9	5,470	4,040			
300	80.8	5.5	6	21,202	4,086			
301	3.2	0.0	0	927	168			
303	4.1	0.0	0	779	205			
304	2.6	0.0	0	735	133			
305	4.8	0.0	0	983	168			
306	186.2	7.8	4	46,781	8,847			
307	93.8	10.8	10	27,559	3,960			
308	24.6	0.0	0	961	709			
919	59.4	4.0	6			10,077	7,436	DUA
3008	24.7	0	0			4,927	4,599	DUA
3030	25.9	1.3	5			2,717	2,330	DUA
Total	515.9	32.0	6	105,398	22,316	17,721	14,365	

*For full retention please refer to the FHP.

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- Area 3	22	24.9	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	300	80.8	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	301	3.2	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	303	4.1	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	304	2.6	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	305	4.8	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	306	186.2	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	307	93.8	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	308	24.6	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	
DTLP160001- Area 3	919	59.4	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	DUA
DTLP160001- Area 3	3008	24.7	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	DUA
DTLP160001- Area 3	3030	25.9	Frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering	DUA

Block declarations can be found in the FHP.

ENDORSEMENT OF FHP BY FMA HOLDER
ENDORSEMENT OF FHP DTLP160001-Area 3:

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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