

July 17, 2008

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

FINAL ANNUAL OPERATING PLAN

INTRODUCTION

This plan is for Compartment **DTLP520002** (located in T87-R9-W6) issued under **Deciduous Timber Allocation 530001**.

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.

The proposed location of manufacture for the incidental coniferous volume harvested under the authority of this plan is the Boucher Brothers Sawmill in located Nampa, Alberta.

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

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

STAND PRODUCTION (Quadrant)

Proposed production for this timber year:

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Deciduous Dominated Stands: **28,956m³**

Coniferous Dominated Stands: **0 m³**

Incidental Deciduous: **0 m³**

Incidental Coniferous: **13,259 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 **DMI 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 **Alberta Timber Harvest Planning and Operating Ground Rules** and any additional **Operating conditions listed in the ASRD Letter of Approval.**

ACCESS DEVELOPMENT

Prior to company use of any existing road, pipeline, powerline, wellsite or other disposition held by a third party, the consent of the holder will be obtained.

Reclamation will be concurrent with completion of operations. The access development and reclamation will follow the company's weed control plan.

Licences of Occupation:

Number	Held By	Road Class	Season of operation
MLL070107	Deepwell Energy Services Ltd		Dry/Frozen Ground
PLA972238	North Peace Gas Co-operative Ltd	Pipeline	Dry/Frozen Ground
PLA951420	Calpine Canda Resources Company	Pipeline	Dry/Frozen Ground
PIL960083	Calpine Canda Resources Company	Pipeline	Dry/Frozen Ground
EZE050227	Atco Electric Ltd		Dry/Frozen Ground
MSL961861	Primewest Energy Inc		Dry/Frozen Ground
PLA961192	Calpine Canda Resources Company	Pipeline	Dry/Frozen Ground
LOC961405	Primewest Energy Inc	III	Dry/Frozen Ground
REA950007	Peace Grove Worsley Rural Limited _Atco		Dry/Frozen Ground
MSL062887	Compton Petroleum Corppration		Dry/Frozen Ground

Number	Held By	Road Class	Season of operation
LOC062030	Compton Petroleum Corpration	III	Dry/Frozen Ground
PLA065348	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC930559	Compton Petroleum Corpration	III	Dry/Frozen Ground
PLA053691	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
PLA053781	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
MSL931962	Hunt Oil Company of Canada Inc		Dry/Frozen Ground
LOC940962	Compton Petroleum Corpration	III	Dry/Frozen Ground
PLA001401	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC941528	Compton Petroleum Corpration	III	Dry/Frozen Ground
MSL941344	Compton Petroleum Corpration		Dry/Frozen Ground
PLA053691	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
PLA052415	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC940933	Compton Petroleum Corpration	III	Dry/Frozen Ground
PLA051639	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC042512	Compton Petroleum Corpration	III	Dry/Frozen Ground
SME056124	Turner's Truck Service Ltd		Dry/Frozen Ground
LOC931326	Compton Petroleum Corpration	III	Dry/Frozen Ground
PLA940926	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
PLA972238	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC930813	Compton Petroleum Corpration	III	Dry/Frozen Ground
LOC930814	Compton Petroleum Corpration	III	Dry/Frozen Ground
EZE050205	Compton Petroleum Corpration		Dry/Frozen Ground
PLA054353	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
LOC052776	Compton Petroleum Corpration	III	Dry/Frozen Ground
MSL0456051	Compton Petroleum Corpration		Dry/Frozen Ground
PLA021946	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
RRD5319LZ	Clear Hills County		Dry/Frozen Ground
MSL060945	Compton Petroleum Corpration		Dry/Frozen Ground
PLA062969	Compton Petroleum Corpration	Pipeline	Dry/Frozen Ground
EZE940219	Atco Electric		Dry/Frozen Ground
LOC890413	Primewest Energy Inc	III	Dry/Frozen Ground
MSL932024	Compton Petroleum Corpration		Dry/Frozen Ground
LOC931327	Compton Petroleum Corpration	III	Dry/Frozen Ground

Road Construction

Class V Roads

In-block roads will be installed during the harvest of 2007. The block roads will be reclaimed upon completion of hauling.

Access Construction:

Road Number	Class	Operating Season	Tenure	Development Required	Reclamation	Company
21	V	Non-frozen	1 Year	Blade line, pre-log and stump block roads	Rollback and piling as required	DMI
22	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
23	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
24	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
26	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
27	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
28	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
29	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
30	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
31	V	Non-frozen	1 Year	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.

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.

There were no crossing identified during the layout stage. However if crossing are encountered the forest officer will be notified

Crossing No.	Structure	Stream Class	Company

OPERATIONS

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

Deciduous harvesting will utilize a feller-buncher, grapple skidder and a bush chipper with a chip haul to the pulp mill.

TRAPPER NOTIFICATION

All Trappers will receive a copy of this Final AOP.

Number	Holder	Contact Date	Method
2224	Benjamin Basnett	April 2008	Registered Mail
2460	Daniel Rossworm	April 2008	Registered Mail

CUTBLOCK AND RETENTION DESIGN CONSIDERATIONS

The deciduous component of this plan was designed with objectives from the 1999 DMI Detailed Forest Management Plan and PRPD's 2007 GDP.

1. The blocks that are being harvested are the second pass blocks from the original Preliminary submitted in 1999.
2. Retain merchantable volume within harvested areas as outlined in PRPD's "Retention Strategy". This retention will contribute to the overall goal of retaining 15% at the landscape level. The actual retention for individual blocks will vary between 0 and 30%.
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)
21	5.7	0	0	1,079	171
22	14.1	0.8	5	2,375	875
23	24.2	0.5	2	3,944	2,296
24	12.6	0.4	3	3,459	841
26	17.0	0.6	3	4,782	968
27	19.7	0.8	4	3,576	1,924
28	12.4	0	0	1,760	1,465
29	10.2	0	0	2,245	455
30	21.5	0	0	4,146	3,704
31	10.0	0	0	1,590	660
Totals	147.4	3.1	2	28,956	13,359

HISTORICAL RESOURCE CONSIDERATIONS

This plans operations will comply with the Alberta Historical Resources Act.

UNDERSTORY MANAGEMENT

The inspecting Forest-Officer will be notified of any changes to the understory protection prescriptions.

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

Timber Year	DISPOSITION	Block	(ha) (0.1 ha)	Operating Season	Proposed Harvest System	SILVICULTURE SYSTEM	REFORESTATION TACTIC
2008	DTLP520002	21	5.7	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	22	14.1	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	23	24.2	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	24	12.6	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	26	17.0	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	27	19.7	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	28	12.4	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	29	10.2	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	30	21.5	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP520002	31	10.0	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering

The Table below outlines pre harvest strata polygons by the four cover types based upon the current Forest Inventory data.

Pre-harvest Landbase

<u>Timber Year</u>	<u>DISPOSITION</u>	<u>Block</u>	<u>ha</u> <u>(0.1 ha)</u>	Map Inventory Type (pre-harvest)-ha And Planned Declaration			
				<u>C</u>	<u>CD</u>	<u>DC</u>	<u>D</u>
2008	DTLP520002	21	5.7	0.0	0.0	0.0	5.7
2008	DTLP520002	22	14.1	0.0	0.0	0.0	14.1
2008	DTLP520002	23	24.2	0.0	0.0	0.0	24.2
2008	DTLP520002	24	12.6	0.0	0.0	0.0	12.6
2008	DTLP520002	26	17.0	0.0	0.0	0.0	17.0
2008	DTLP520002	27	19.7	0.0	0.0	0.0	19.7
2008	DTLP520002	28	12.4	0.0	0.0	0.0	12.4
2008	DTLP520002	29	10.2	0.0	0.0	0.0	10.2
2008	DTLP520002	30	21.5	0.0	0.0	0.0	21.5
2008	DTLP520002	31	10.0	0.0	0.0	0.0	10.0
	Totals		147.4	0.0	0.0	0.0	147.4

ENDORSEMENT OF FINAL AOP DTLP520002:

AOP prepared by:

Name: Trina Tosh,
RPFT 070056
Position: Forest Resources Supervisor -
Planning

Name: Phil Dube
RPFT 960017
Position: Woodlands Manager

Signature:

Signature:

Date:

Date:

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