

July 9, 2008

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

and

Community Based Value Added Corporation

FINAL ANNUAL OPERATING PLAN

INTRODUCTION

This plan is for Compartment **DTLP530007** (located in T86-R26 – W5) issued under **Deciduous Timber Allocation 530001** and **CTPP530294**.

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

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.

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: **51,129 m³**

Coniferous Dominated Stands: **26,410 m³**

Incidental Deciduous: **13,183 m³**

Incidental Coniferous: **11,044m³**

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
LOC971033	Bonavista Petroleum Ltd	III	Dry/Frozen
LOC040494	Provident Energy Resources Inc	III	Dry/Frozen
LOC051776	Provident Energy Resources Inc	III	Dry/Frozen
LOC054663	Provident Energy Resources Inc	III	Dry/Frozen
LOC972495	Adamant Energy Inc	III	Dry/Frozen
PLA052555	Provident Energy Resources Inc	Pipeline	
PLA972322	Adamant Energy Inc	Pipeline	
PLA780095	Nova Gas	Pipeline	
PLA2823	Nova Gas	Pipeline	

Number	Held By	Road Class	Season of operation
PLA070678	Provident Energy Resources Inc	Pipeline	
PLA044804	Provident Energy Resources Inc	Pipeline	
PLA061680	Provident Energy Resources Inc	Pipeline	

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:

Disposition	Road Number	Class	Operating Season	Tenure	Development Required	Reclamation	Company
DTLP530007	20	V	Non-frozen	1 Year	Blade line, pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	21	V	Non-frozen	1 Year	Blade line, pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	22	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	23	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	24	V	Non-frozen	1 Year	Pre-log and stump access and block roads	Rollback and piling as required	DMI
DTLP530007	25	V	Non-frozen	1 Year	Pre-log and stump access and block roads	Rollback and piling as required	DMI
DTLP530007	27	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	28	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	29	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	30	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI

Disposition	Road Number	Class	Operating Season	Tenure	Development Required	Reclamation	Company
DTLP530007	31	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	33	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	35	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
DTLP530007	36	V	Non-frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	DMI
CTPP530294	50	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	51	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	52	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	53	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	54	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	55	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	56	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	57	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	58	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	61	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	62	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	63	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC

Disposition	Road Number	Class	Operating Season	Tenure	Development Required	Reclamation	Company
CTPP530294	64	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC
CTPP530294	65	V	Frozen	1 Year	Pre-log and stump block roads	Rollback and piling as required	CBVAC

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.

Crossing No.	Structure	Stream Class	Company
20	Culvert/ Culverted logfill	Intermittent	DMI
21	Culvert/ Culverted logfill	Intermittent	DMI

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
1201	Lawrence Johns	April 2008 (preliminary AOP) July 2008 (Final AOP)	Registered Mail 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.

Disposition	Block Number	Total Area (ha)	GPS Retention Area (ha)	GPS Retention %	DEC. VOL. (m³)	CON. VOL. (m³)
DTLP530007	20	27.6	2.0	7	4,086	1,636
DTLP530007	21	16.4	1.5	8	3,746	759
DTLP530007	22	29.9	2.3	7	7,489	1,439
DTLP530007	23	21.5	2.1	9	4,734	697
DTLP530007	24	11.3	0.5	4	1,460	295
DTLP530007	25	9.0	1.0	10	2,563	572
DTLP530007	27	16.3	0	0	2,897	587
DTLP530007	28	10.0	0	0	2,229	451
DTLP530007	29	13.2	0.7	5	1,857	1,653

Disposition	Block Number	Total Area (ha)	GPS Retention Area (ha)	GPS Retention %	DEC. VOL. (m³)	CON. VOL. (m³)
DTLP530007	30	51.8	2.6	5	12,481	2,527
DTLP530007	31	26.7	0.8	3	3,543	1,983
DTLP530007	33	6.4	0.9	12	1,028	218
DTLP530007	35	18.7	0.6	3	2,381	289
DTLP530007	36	2.7			635	77
CTPP530294	50	11			761	2,328
CTPP530294	51	20			1,146	4,836
CTPP530294	52	5			443	823
CTPP530294	53	4			229	967
CTPP530294	54	5			443	823
CTPP530294	55	10			1,191	1,415
CTPP530294	56	11			1,310	1,557
CTPP530294	57	7			620	1,152
CTPP530294	58	6			531	987
CTPP530294	61	17			974	4,107
CTPP530294	62	11			761	2,328
CTPP530294	63	16			1,906	2,264
CTPP530294	64	5			346	1,058
CTPP530294	65	8			383	1,765
Totals		397.5	15	7	62,173	39,593

* At time of submission the CTPP530294 blocks were not laid out. Layout will be completed before operation commences and an updated table will be provided.

HISTORICAL RESOURCE CONSIDERATIONS

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

UNDERSTORY MANAGEMENT

Blocks 29 and 30 had areas of heavy understory and understory protection was implemented by employing skids trails to address any concerns.

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	DTLP530007	20	27.6	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	21	16.4	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	22	29.9	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	23	21.5	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	24	11.3	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	25	9.0	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	27	16.3	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	28	10.0	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	29	13.2	Non-frozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	30	51.8	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	31	26.7	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
	DTLP530007	33	6.4	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	35	18.7	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	DTLP530007	36	2.7	Nonfrozen	Roadside Chipper	Clearcut	Leave For Natural Suckering
2008	CTPP530294	50	11	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	51	20	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	52	5	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	53	4	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	54	5	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	55	10	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	56	11	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	57	7	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	58	6	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	61	17	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	62	11	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	63	16	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	64	5	Frozen	Tree length	Clearcut	Scarify and plant
2008	CTPP530294	65	8	Frozen	Tree length	Clearcut	Scarify and plant
	Totals		397.5				

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	DTLP530007	20	27.6	0.0	0.0	0.0	27.6
2008	DTLP530007	21	16.4	0.0	0.0	0.0	16.4
2008	DTLP530007	22	29.9	0.0	0.0	0.0	29.9
2008	DTLP530007	23	21.5	0.0	0.0	0.0	21.5
2008	DTLP530007	24	11.3	0.0	0.0	0.0	11.3
2008	DTLP530007	25	9.0	0.0	0.0	0.0	9.0
2008	DTLP530007	27	16.3	0.0	0.0	0.0	16.3
2008	DTLP530007	28	10.0	0.0	0.0	0.0	10.0
2008	DTLP530007	29	13.2	0.0	0.0	0.0	13.2
2008	DTLP530007	30	51.8	0.0	0.0	10.5	41.3
2008	DTLP530007	31	26.7	0.0	0.0	0.0	26.7
2008	DTLP530007	33	6.4	0.0	0.0	0.0	6.4
2008	DTLP530007	35	18.7	0.0	0.0	0.0	18.7
2008	DTLP530007	36	2.7	0.0	0.0	0.0	2.7
2008	CTPP530294	50	11	11	0.0	0.0	0.0
2008	CTPP530294	51	20	20	0.0	0.0	0.0
2008	CTPP530294	52	5	5	0.0	0.0	0.0
2008	CTPP530294	53	4	4	0.0	0.0	0.0
2008	CTPP530294	54	5	5	0.0	0.0	0.0
2008	CTPP530294	55	10	0.0	10	0.0	0.0
2008	CTPP530294	56	11	0.0	11	0.0	0.0
2008	CTPP530294	57	7	7	0.0	0.0	0.0
2008	CTPP530294	58	6	6	0.0	0.0	0.0
2008	CTPP530294	61	17	17	0.0	0.0	0.0
2008	CTPP530294	62	11	11	0.0	0.0	0.0
2008	CTPP530294	63	16	16	0.0	0.0	0.0
2008	CTPP530294	64	5	5	0.0	0.0	0.0
2008	CTPP530294	65	8	8	0.0	0.0	0.0
	Totals		397.5	115	21	10.5	251.0

ENDORSEMENT OF AOP DTLP530007/CTPP530294:

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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