

Exhibit K

News Release

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Canada's Response to Softwood Lumber Agreement Tribunal Ruling

The Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, today announced that the Government of Canada has complied with an international tribunal's decision regarding Canada's obligations under the Softwood Lumber Agreement.

"Maintaining the Softwood Lumber Agreement is a priority for the Canadian government and industry," said Minister Day. "We recognize our commitments under this Agreement and we have honoured them."

Although Canada is disappointed with the tribunal's decision, it has complied with its findings. The tribunal directed Canada to cure the breach of its obligations under the Agreement or impose compensatory measures of an additional 10-percent export charge on exports of softwood lumber from Quebec, Ontario, Manitoba and Saskatchewan.

The Government of Canada has authorized and made available a payment of \$46.7 million to the United States. Canada is asking the tribunal to confirm that the payment cures the breach in a manner consistent with the Agreement. This payment is equal to the amount of revenue that the U.S. claimed their industry lost due to the breach, and Canada sees this as fully compensating the U.S. for these losses.

The Government of Canada's payment will be recovered from the affected provinces through deductions from the distribution of regular export charges, which are currently at five percent.

Both the Agreement and the decision clearly provide for alternative means to cure a breach other than by imposing an additional export charge.

"At this difficult time for the industry, Canada chose this payment alternative instead of imposing an additional export charge, which would result in further mill closures and job losses in communities," said Minister Day.

If the tribunal rules that a payment is not an adequate cure, and an additional charge is necessary, the Government of Canada will comply as directed.

Despite the tribunal's ruling, the Agreement continues to have the strong support of provinces and Canada's softwood lumber companies. It continues to provide stable and predictable market conditions in an uncertain economic environment.

The 2006 Softwood Lumber Agreement ended a long-standing dispute that had resulted in years of punishing duties against Canadian exports. Through the Agreement, \$4.5 billion in duties collected by the U.S. was returned to Canadian companies, bringing a significant infusion of capital into the industry and

benefiting workers and communities across Canada.

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