



Positioned for **Strong** Performance



First Quarter 2011 Results
May 5, 2011

Pulp Market Dynamics

Signal Continued Tightness

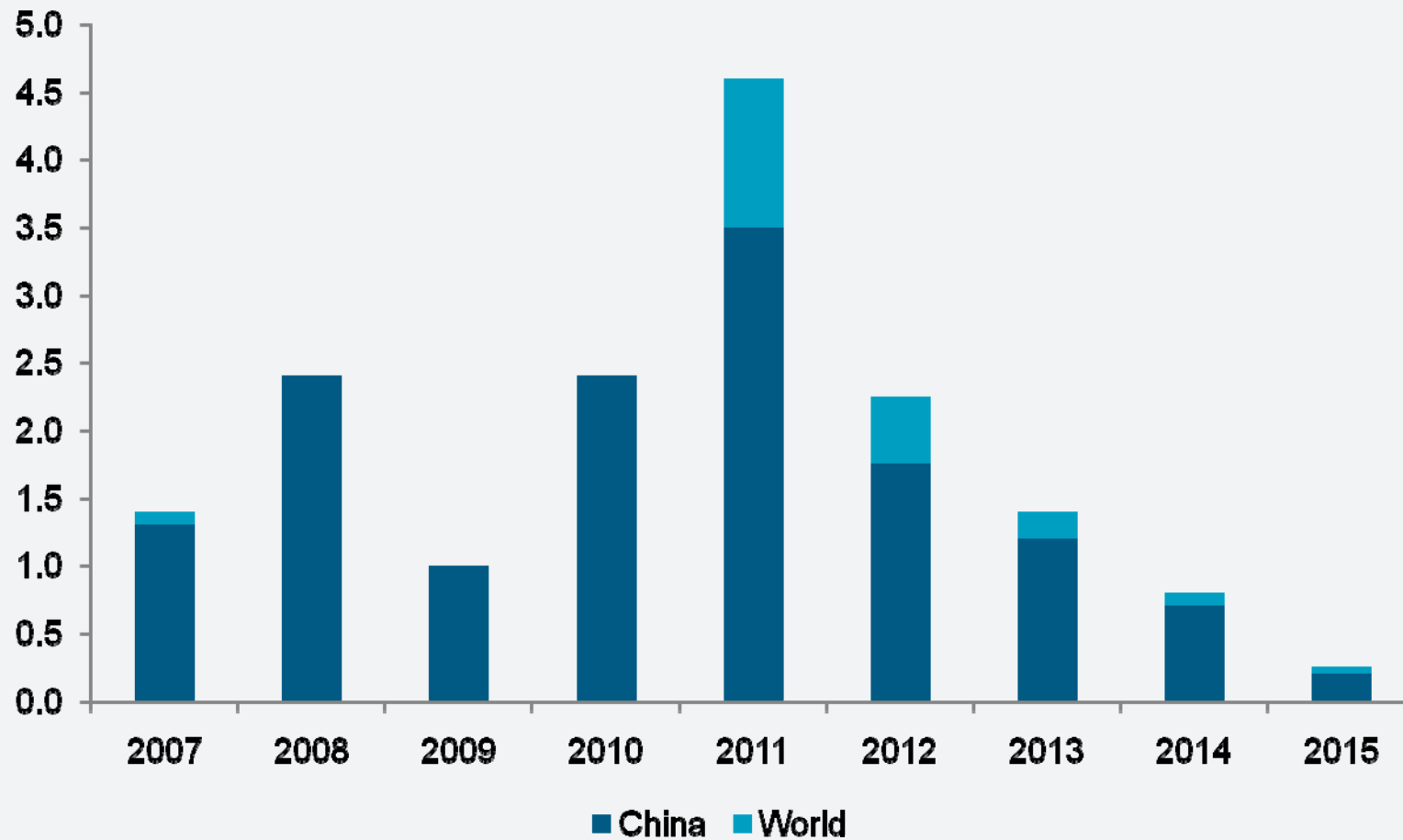


	2010	2011	2012	2013	Total
Demand Growth (000mt)	2,436	5,336	1,848	1,677	11,297
Greenfield (000mt)	130		500	4,100	4,730
Re-starts/Creep (000mt)	1,535	140	590		2,265
Repurposed (000mt)	170	(409)			(239)
Net Supply (Deficiency) Excess (000mt)	(601)	(5,605)	(758)	2,423	(4,541)
Demand/Capacity Ratio (%)	86%	92%	92%	90%	+4%

Source: RISI

World PVC Capacity Additions

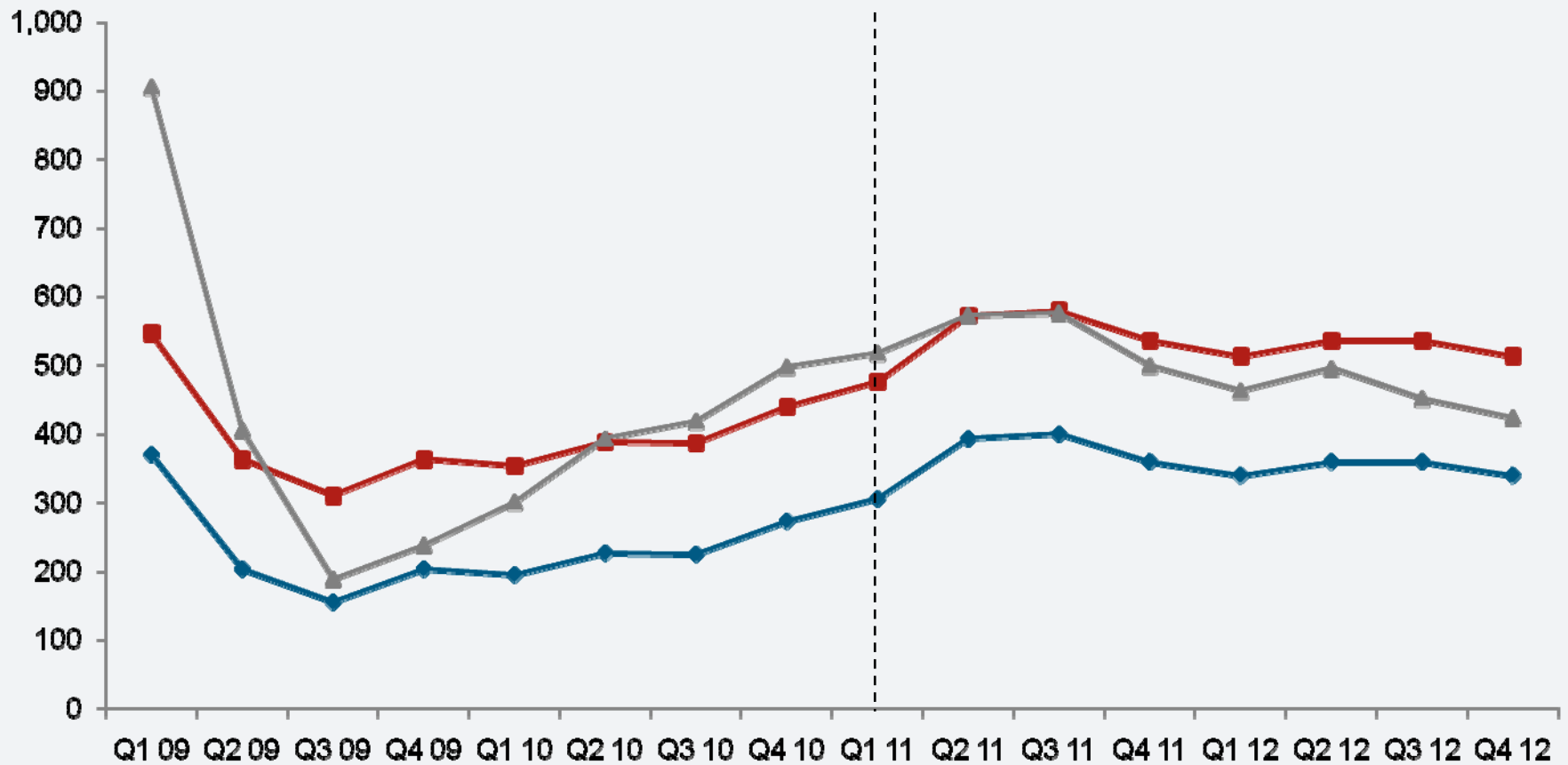
Million Metric Tons



Source: CMAI

Caustic Soda Price Forecast

US\$ Per Dry Metric Ton

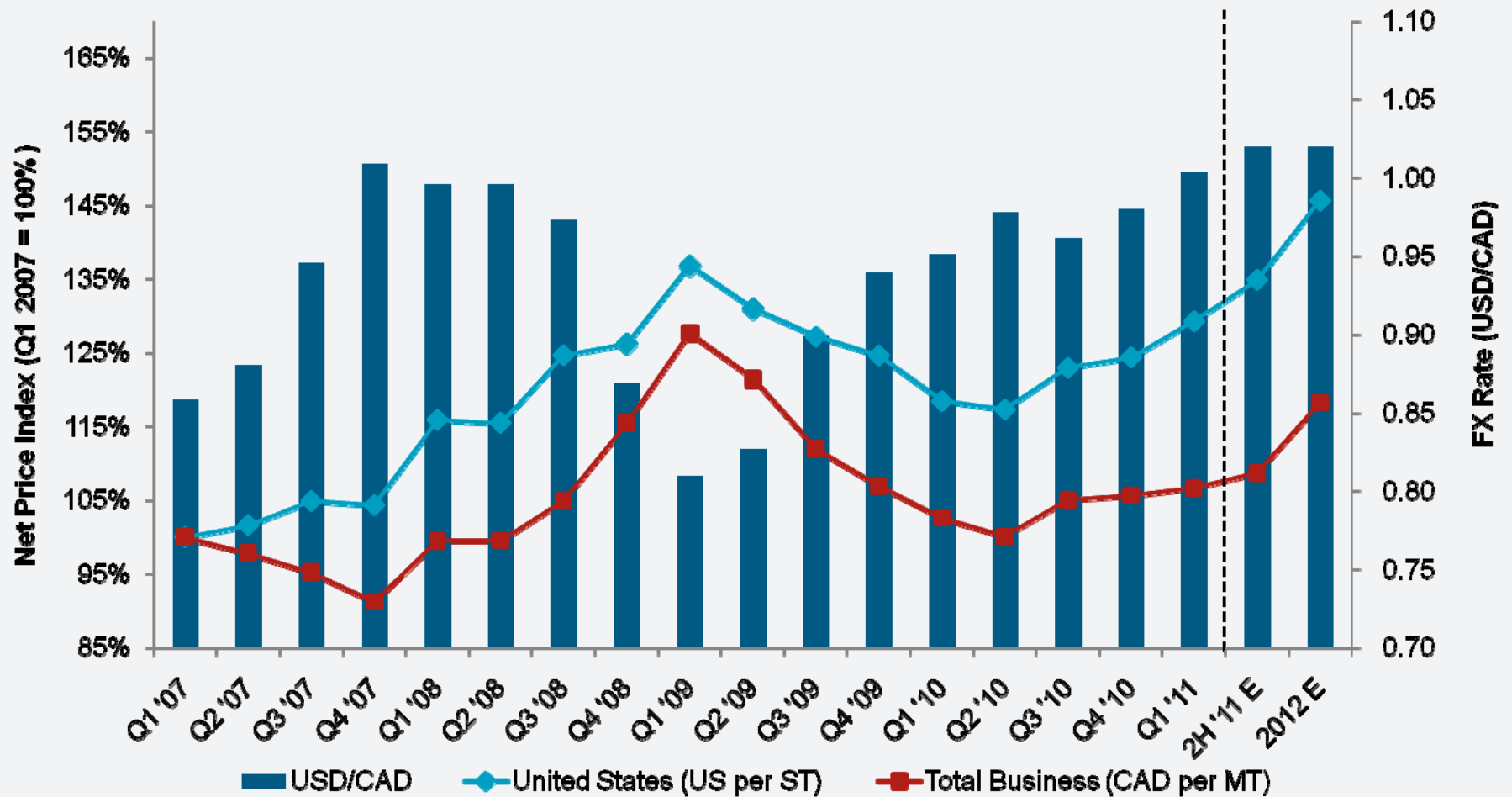


◆ CMAI FOB Asla Port
 ■ CMAI FOB Asla Port + Ocean Freight, Terminal and Margin
 ▲ CMAI USG FOB Producer

Source: CMAI

Chlorate Net Price History and Projections

Total Business & United States



2011 Outlook

Building Momentum into 2012



Operating Cash Flow Expectations for 2011

Q1	\$22 M
Q2	\$25-\$30 M
Q3	\$35-\$40 M
Q4	\$30-\$35M
Payout Ratio %	90-95%
F/X	US\$1.02 for balance of 2011

Forward-looking Statements

This presentation contains forward-looking statements and information relating to expected future events and financial and operating results of the Fund, Canexus LP and its subsidiaries, including with respect to pricing for sodium chlorate and chlor-alkali products, expected volumes of and demand for sodium chlorate or chlor-alkali products, expected currency exchange rates, the Fund's expected payout ratio, global caustic soda demand, expectations for MECU prices, expectations regarding North Vancouver facility operations, the timing of TCP completion, the expenses related thereto and its contribution to operating cash flow, the timing of completion and contribution to operating cash flow of growth projects, including the Brazil sodium chlorate and hydrochloric acid expansions, North Vancouver hydrochloric acid project and NATO rail infrastructure project, available tax deductions and the approval of the unitholders of the conversion from an income trust to a corporate structure. Investors should be cautioned that any decision to pay dividends following the conversion to a corporation will be made by the board of directors of Canexus on the basis of Canexus' earnings, financial requirements and other conditions existing at such future time. The use of the words "expects", "anticipates", "continue", "estimates", "projects", "should", "believe", "plans", "intends", "may", "will" or similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including market and general economic conditions, future costs, treatment under governmental regulatory, tax and environmental regimes and the other risks and uncertainties detailed under "Risk Factors" in the Fund's Annual Information Form filed on the Fund's SEDAR profile at www.sedar.com. Management believes the expectations reflected in these forward-looking statements are currently reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Due to the potential impact of these factors, the Fund and Canexus LP disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. Financial outlook information contained in this press release about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

All dollar amounts are in Canadian dollars, except as otherwise noted