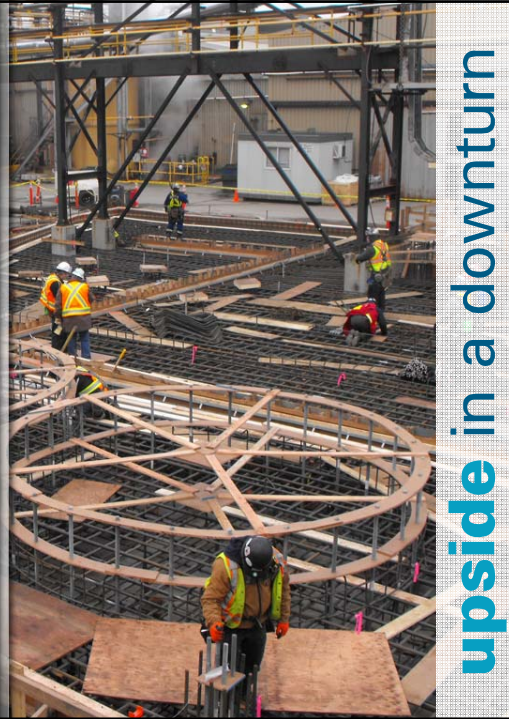


Annual & Special Meeting
April 23, 2009



upside in a downturn

Dennis G. Flanagan
Chair



upside



Forward Looking **Statements**



Certain statements in this presentation constitute "forward looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, or future financial outlook information or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

This presentation should be viewed in conjunction with the Fund's Annual Information Form for the period ended December 31, 2008, a copy of which can be obtained electronically on SEDAR

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

2008 and Q109 results

Upside foundations

Market conditions and outlook

Growth initiatives

Strong performance in difficult market conditions

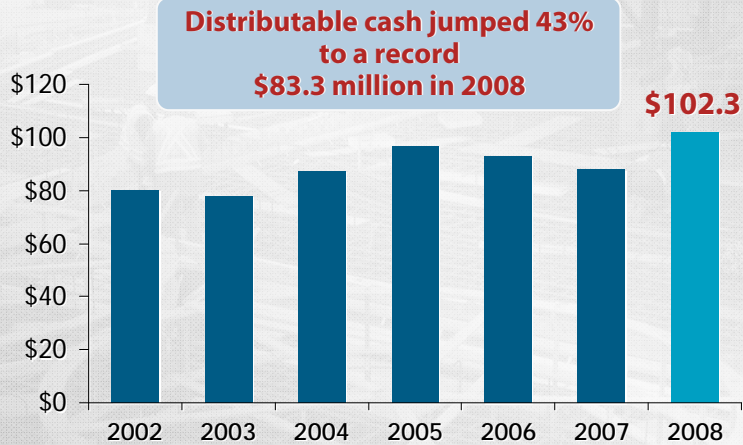
Able to maintain strategic focus

Positioned to thrive as economy recovers

Record Financial Performance



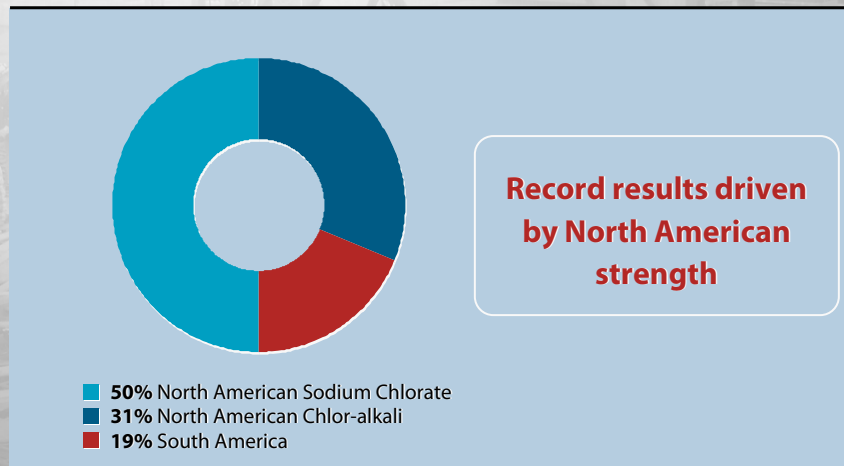
Operating Cash Flow History 2002 - 2008 (CAD millions)



Balance Across Business Units



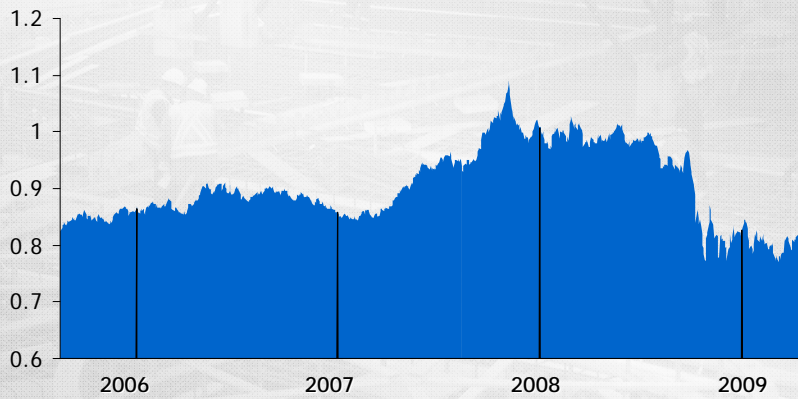
2008 Operating Cash Flow of \$102.3 Million (by business unit)



Managing Currency Shifts



CAD:US Exchange Rate Trend since Canexus IPO



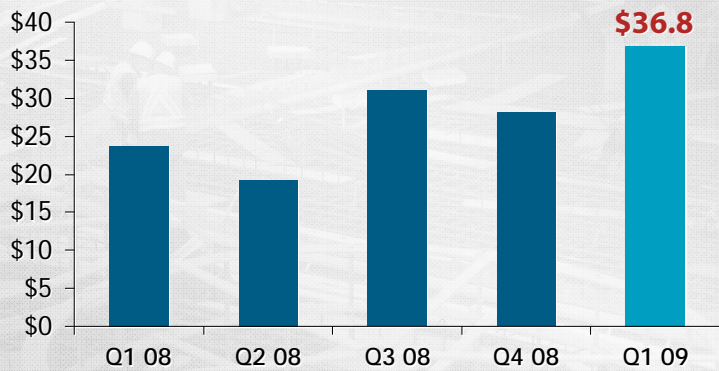
Source: Bank of Canada; Noon exchange rate

9

Excellent Start to 2009



Operating Cash Flow (CAD\$ millions)



10

Upside Foundations



**Low-cost
Advantage**

**Defined
Growth**

**Financial
Strength**

**Solid
Distributions**

11

TCP: Low-cost Chlor-Alkali



25%

unit cost reduction with TCP

12

Brazil: Low-cost Partnership



25
year

Contract with Aracruz

13

Brandon: Unrivalled Advantage



35%

Average cash cost
advantage over competitors

14

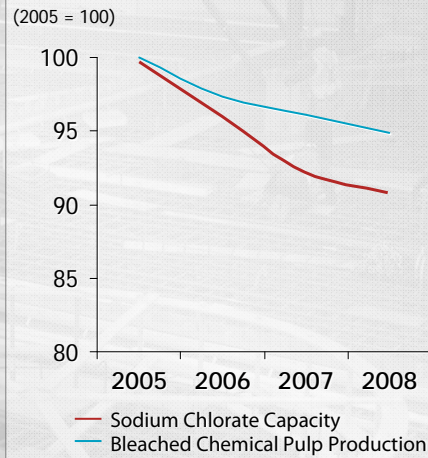
Low-Cost Discipline



- Managing through high cost plants (transition vs. shut-down)
- Bruderheim:
 - North American Terminal Operations - new business unit uniquely positioned

Source: 1. Bleached Chemical Pulp Production - RISI: "World Pulp Annual Historical Data", December, 2007; "World Pulp & Recovered Paper 15 Year Forecast", August, 2008
2. Sodium Chlorate Capacity - Publicly available information; Canexus Management

Indexed Bleached Pulp Production v. Indexed Sodium Chlorate Capacity



15

Positioned for Long-term Growth



- All our projects are financed
- Increased opportunities in uncertain times with experience to take advantage
- Additional projects currently under evaluation

\$50
million

**Incremental annual OCF
rate commencing 2010**

16

Growth **Projects in Progress**



Annual OCF Rates Commencing 2010

\$35 – 43 million Technology Conversion Project	\$2.0 million North Vancouver Hydrochloric Acid
\$3.0 million Brazil Expansions	\$3.0 million North American Terminal Operations

Brandon phase 7 expansion completed (\$12 million in 2008)

17

Financial **Strength**



Committed Financing

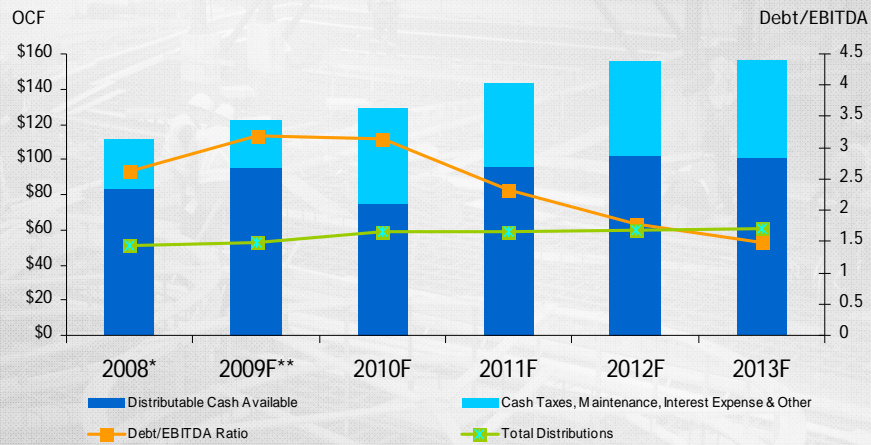
- Committed credit facilities of \$520 million
 - \$210 million available at March 31, 2009
- Debt to EBITDA ratio of 2.6
 - Covenant flexibility to 4.5 until March 31, 2011
- No debt maturing before August 2011
- 100% of US\$ exposure protected for 2009
 - Options at CAD\$1=US\$0.8185
- Payout ratio for Q1/09 of 46%
 - Full year guidance at 60-70%
 - DRIP participation >70%

18

Solid Distributions



Operating Cash Flow (CAD\$ millions)



* Includes OCF of \$102.3 million plus other realized gains, net
 ** CAD\$1=US\$0.82 for 2008 and US\$0.915 for 2009 and beyond

19

Outlook



- Low cost wins in tough markets
- Continued currency benefits
- Traditional market cycle outcomes expected

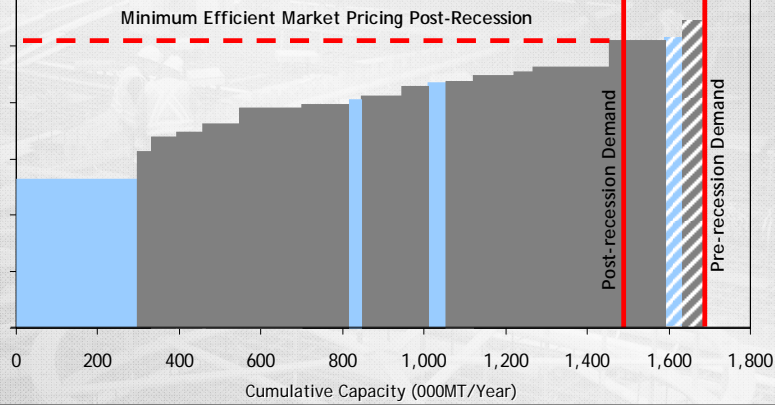
20

Outlook: NA Sodium Chlorate



Solid Low Cost Position Protects Cash Flow

2009 Cash Manufacturing Cost (1.0 CAD = 0.82 USD)



Source: Publicly available information; Canexus management

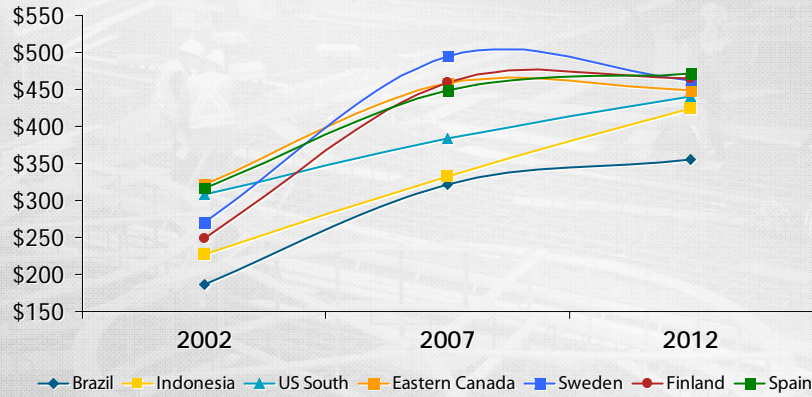
21

Outlook: Brazil



Stability and Growth Based on Cost Advantage (USD / MT)

BHKP DEL Variable Cost to Northern Europe



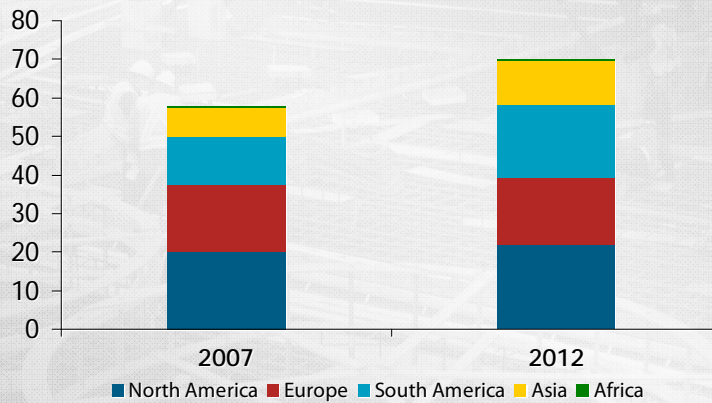
Source: RISI, "World Pulp & Recovered Paper 5-Year Forecast", December 2008

22

Outlook: Global Pulp Growth



Market Pulp Capacity (million metric tonnes)



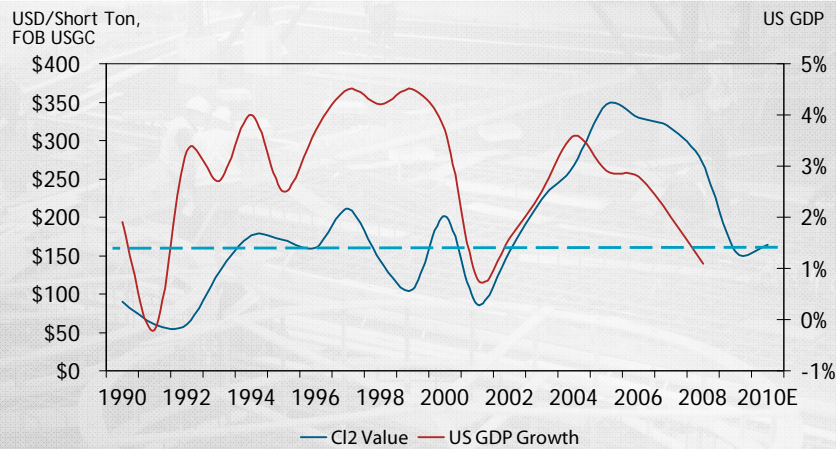
Source: RISI, "World Pulp & Recovered Paper 5-Year Forecast", December 2008

23

Outlook: NA Chlor-Alkali



Market Rebound with Economy Projected



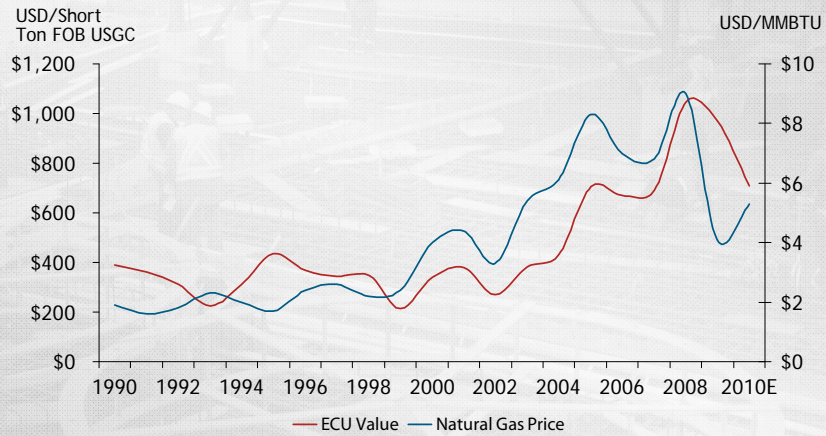
Source: "Chemical Market Associates, Inc. Price & Economics Database", 04/17/2009

24

Outlook: NA Chlor-Alkali



Natural Gas Leading Indicator



Source: "Chemical Market Associates, Inc. Price & Economics Database", 04/17/2009

25

Growth: TCP Update



- 7 months away from construction completion
- \$165 million committed to date
- Outstanding safety record
- On track for Q1 2010 start-up



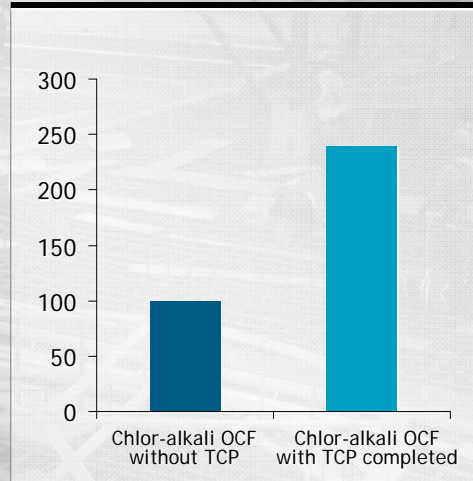
26

Growth: TCP Cash Flow Impact



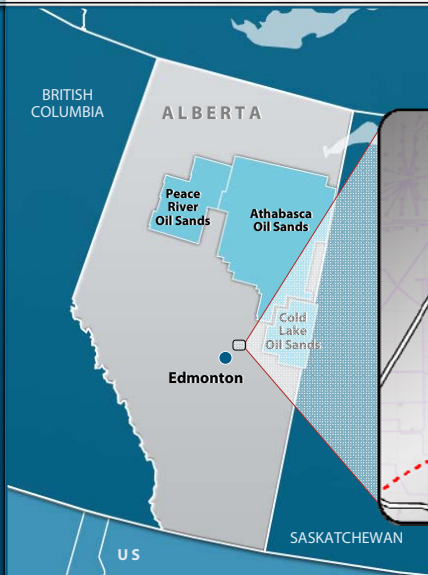
- \$35-43 million incremental operating cash flow
- ECU pricing vs. Canexus projections
 - Ahead of the game
- Growth driven by cost savings

Indexed Cash Flow

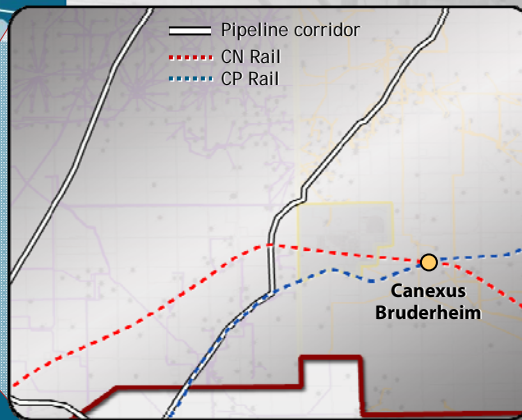


27

Growth: North American Terminal Operations



Alberta Industrial Heartland



28

Growth: North American Terminal Operations



- Hydrocarbon and chlor-alkali chemicals
- First hydrocarbon trans-loads April 17, 2009
- Expansion plans in progress
- Site infrastructure provides growth potential

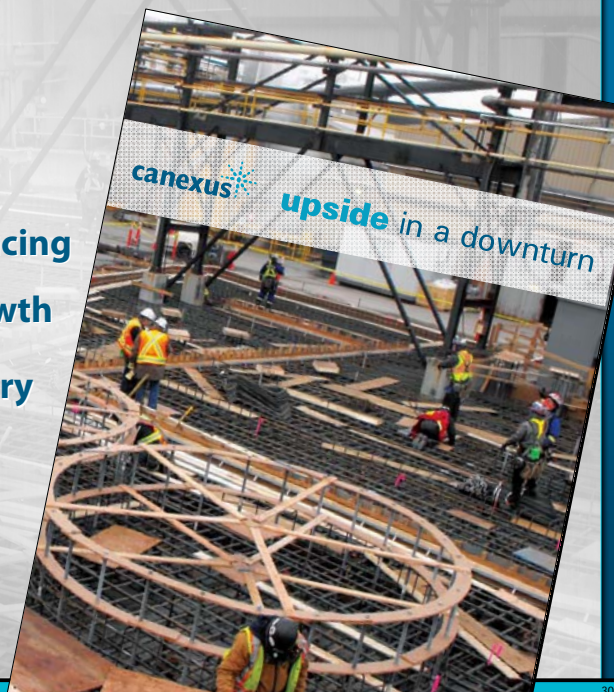


29

Canexus is well positioned

Committed financing

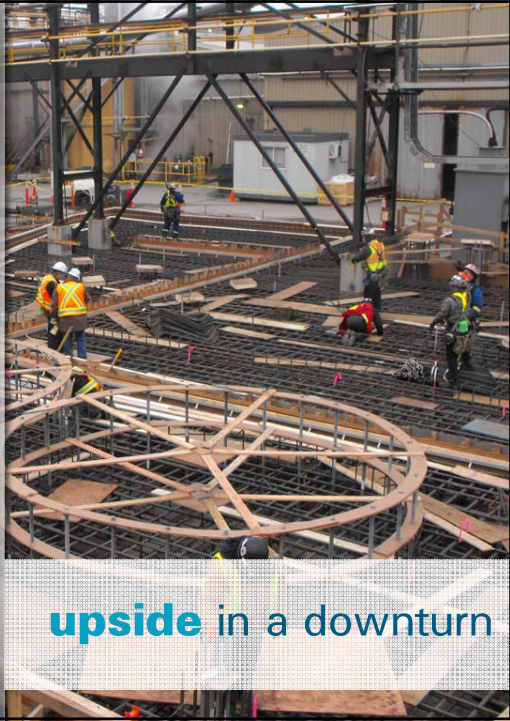
Upside from growth projects and economic recovery



30

Annual & Special Meeting

April 23, 2009



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