DRAFT OF AUGUST 3, 1999

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarterly Period Ended June 30, 1999
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	93-0609074
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

111 S. W. Fifth Avenue, Portland, Oregon 97204-3699
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (503) 221-0800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes /X/ No / /

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 107,406,329 shares of Common Stock, $1 par value, outstanding as of August 1, 1999.

ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 provide a "safe harbor" for all forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This report contains, and other reports and documents filed by L-P with the Securities and Exchange Commission may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, the management of L-P.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include the words "may," "will," "could," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "potential," "continue" or "future" or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts. These forward-looking statements are subject to various risks and uncertainties, including the following:

- Risks and uncertainties relating to the possible invalidity of the underlying beliefs and assumptions;

- Possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions; and

- Actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, regulatory, judicial and other governmental authorities and officials.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by L-P with the Commission that warn of risks or uncertainties associated with future results, events or circumstances identify important factors that could cause actual results, events and circumstances to differ materially from those reflected in the forward-looking statements.

PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE) (UNAUDITED)

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
Net Sales	$ 768.5	$ 623.2	$1,368.6	$1,171.5
Costs and expenses:				
Cost of sales	530.9	506.2	999.0	1,002.2
Depreciation, amortization and depletion	45.7	49.5	88.5	89.0
Selling and administrative	54.7	45.5	100.6	89.5
Unusual (credits) and charges, net	(5.2)	(328.3)	(5.2)	(328.3)
Interest expense	11.1	10.1	20.1	19.8
Interest income	(9.4)	(1.5)	(19.2)	(3.6)
Total costs and expenses	627.8	281.5	1,183.8	868.6
Income before taxes and minority interest	140.7	341.7	184.8	302.9
Provision for income taxes	55.8	138.8	73.2	126.3
Minority interest in net income (loss) of consolidated subsidiaries	---	(1.0)	(0.5)	(2.2)
Net income	$ 84.9	$ 203.9	$ 112.1	$ 178.8
Net income per share-basic and diluted	$ .79	$ 1.87	$ 1.05	$ 1.64
Average shares outstanding (millions) -- basic	106.6	109.1	106.4	109.1
-- diluted	106.8	109.4	106.6	109.4
Cash dividends per share	$ .14	$ .14	$ .28	$ .28

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED FINANCIAL STATEMENTS.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	JUNE 30, 1999	DECEMBER 31, 1998
ASSETS		
Cash and cash equivalents	$ 152.9	$ 126.5
Accounts receivable, net	204.2	134.7
Inventories	239.7	205.7
Prepaid expenses	19.6	8.1
Income tax refunds receivable	---	43.9
Deferred income taxes	121.8	93.2
Total current assets	738.2	612.1
Timber and timberlands	498.4	499.0
Property, plant and equipment	2,213.8	2,086.5
Less accumulated depreciation	(1,202.9)	(1,173.2)
Net property, plant and equipment	1,010.9	913.3
Notes receivable from asset sales	403.8	403.8
Goodwill, net of amortization	132.9	60.0
Other assets	30.0	30.9
Total assets	$ 2,814.2	$ 2,519.1
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 23.2	$ 34.1
Accounts payable and accrued liabilities	270.2	192.5
Current portion of contingency reserves	205.0	140.0
Income taxes payable	13.4	---
Total current liabilities	511.8	366.6
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long-term debt	181.6	63.3
Total long-term debt, excluding current portion	578.1	459.8
Contingency reserves, excluding current portion	102.9	228.0
Deferred income taxes and other	301.8	241.9
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in-capital	465.2	465.4
Retained earnings	1,001.2	918.8
Treasury stock	(201.3)	(204.0)
Loans to Employee Stock Ownership Trusts	(17.9)	(28.8)
Accumulated comprehensive income (loss)	(44.6)	(45.6)
Total stockholders' equity	1,319.6	1,222.8
Total liabilities and equity	$ 2,814.2	$ 2,519.1

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED FINANCIAL STATEMENTS.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	SIX MONTHS ENDED JUNE 30,	
	1999	1998
Cash flows from operating activities:		
Net income	$ 112.1	$ 178.8
Depreciation, amortization and depletion	88.5	89.0
Unusual (credits) and charges, net	(5.2)	(328.3)
Cash settlements of contingencies	(78.1)	(38.9)
Other adjustments, net	13.8	10.4
Decrease (increase) in certain working capital components and deferred taxes	80.2	219.0
Net cash provided by (used in) operating activities	211.3	130.0
Cash flows from investing activities:		
Capital spending	(57.0)	(75.9)
Asset sales proceeds	17.6	299.5
ABT purchase, including replacement of debt	(213.0)	---
Other investing activities, net	(1.6)	4.1
Net cash provided by (used in) investing activities	(254.0)	227.7
Cash flows from financing activities:		
New borrowings, including net changes in revolving borrowings	139.3	328.0
Repayment of long-term debt	(46.0)	(265.0)
Increase (decrease) in short-term notes payable	---	6.4
Cash dividends	(29.7)	(30.5)
Other financing activities, net	5.5	4.5
Net cash provided by (used in) financing activities	69.1	43.4
Net increase (decrease) in cash and cash equivalents	26.4	401.1
Cash and cash equivalents at beginning of period	126.5	31.9
Cash and cash equivalents at end of period	$ 152.9	$ 433.0

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED FINANCIAL STATEMENTS.

NOTES TO UNAUDITED CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

1. These consolidated summary financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in L-P's Annual Report on Form 10-K for the year ended December 31, 1998 (as the same may be amended, the "1998 Form 10-K").

These consolidated summary financial statements reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of the management of L-P, necessary to present fairly, in all material respects, the consolidated financial position and results of operations of L-P and its subsidiaries. Certain 1998 amounts have been reclassified to conform to the 1999 presentation.

Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

2. Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings per share include the effects of potentially dilutive common stock equivalents.

3. The preparation of interim financial statements requires the estimation of L-P's effective income tax rate based on estimated annual amounts of taxable income and expenses. These estimates are updated quarterly.

4. The preparation of interim financial statements requires the estimation of L-P's year-end inventory quantities and costs for purposes of determining last in, first out (LIFO) inventory adjustments. These estimates are revised quarterly and the estimated incremental change in the LIFO inventory reserve is expense over the remainder of the year.

5. Components of comprehensive income include net income, currency translation adjustments and other income (loss). Comprehensive income was $87.5 million in the second quarter of 1999, $203.6 million for the second quarter of 1998, $113.1 million for the first six months of 1999 and $179.9 million for the same period in 1998.

6. In June 1998, the Financial Accounting Standards Board adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). The new statement will require recognition of all financial instruments as either assets or liabilities on the balance sheet at fair value; changes to fair value will impact earnings either as gains or losses. SFAS 133 will be effective for L-P beginning January 1, 2001. L-P is assessing the impact this statement will have on its financial statements and related disclosures.

7. In February 1999, L-P acquired all of the capital stock of ABT Building Products Co. ("ABT") for approximately $164 million. Concurrent with the acquisition, L-P also paid off approximately $49 million of ABT debt. In connection with the acquisition of ABT, L-P borrowed $100 million under a new uncommitted bank credit facility and increased its net revolving borrowings under its existing credit facility by $65 million. The acquisition was accounted for as a purchase and ABT's results of operations for the period subsequent to the acquisition have been included in L-P's Condensed Consolidated Statements of Income for the period ended June 30, 1999. The purchase price has been preliminarily allocated to the assets and liabilities of ABT based on their estimated fair values in L-P's Condensed Consolidated Balance Sheet at June 30, 1999. Based on current estimates, L-P has recorded purchase price in excess of net assets acquired ("goodwill") of $77 million in its Condensed Consolidated Balance Sheet at June 30, 1999, which is being amortized using the straight-line method over 15 years. However, L-P is still in the process of obtaining information to be used in the determination of the fair value of certain assets and liabilities, which could affect both the amount of purchase price allocated to those assets and liabilities and the amount of goodwill recorded and amortized in future periods.

The following unaudited pro forma financial information gives effect to the acquisitions of ABT as if it has been consummated at the beginning of each period presented.

DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
Net Sales	$ 1,410.0	$ 1,339.3
Net Income	111.0	180.9
Net income per share-- basic	1.04	1.66
-- diluted	1.04	1.65

The principal pro forma adjustments reflected in the foregoing pro forma information are adjustments to record interest expense on indebtedness incurred in connection with the acquisition and the amortization of goodwill. The foregoing pro forma information is provided for illustrative purposes only and does not purport to be indicative of results that actually would have been achieved had the acquisition been consummated at the beginning of the periods presented or of future results.

8. The following table sets forth selected segment data for the periods ended June 30, 1999 and 1998:

	QUARTER ENDED JUNE 30, 1999	QUARTER ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
Sales:				
Structural products	$ 430.1	$ 357.9	$ 775.1	$ 639.4
Exterior products	79.1	23.6	116.9	51.7
Industrial panel products	73.1	45.3	126.9	88.5
Specialty and other products	158.3	175.6	299.9	350.2
Pulp	27.9	20.8	49.8	41.7
Total sales	$ 768.5	$ 623.2	$ 1,368.6	$ 1,171.5
Profit (loss):				
Structural products	$ 148.6	$ 43.1	$ 222.3	$ 48.1
Exterior products	16.3	4.7	24.0	9.6
Industrial panel products	4.7	1.9	5.8	2.7
Specialty and other products	(2.1)	(3.7)	(9.7)	(10.4)
Pulp	(4.9)	(3.9)	(10.7)	(15.5)
Unusual credits and charges, net	5.2	328.3	5.2	328.3
General corporate and other expense, net	(25.4)	(20.1)	(51.2)	(43.7)
Interest income (expense), net	(1.7)	(8.6)	(.9)	(16.2)
Income before taxes and minority interest	$ 140.7	$ 341.7	$ 184.8	$ 302.9

9. The description of certain legal and environmental matters involving L-P set forth in Part II of this report under the caption "Legal Proceedings" is incorporated herein by reference. The increase in the current portion of contingency reserves reflects the expected payment of the $125 million second fund relating to L-P's nationwide class action litigation settlement in the first half of 2000.

10. The description of a potential acquisition set forth below under the caption "Acquisition" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" is incorporated herein by reference.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Net income for the second quarter of 1999 was $84.9 million, or $.79 per diluted share, on sales of $768.5 million, compared to second quarter 1998 net income of $203.9 million, or $1.87 per diluted share, on sales of $623.2 million. Excluding a $5.2 million pretax gain ($3.2 million after tax, or $.03 per diluted share) on the sale of timberland, net income for the second quarter of 1999 was $81.7 million, or $.76 per diluted share compared to second quarter 1998 income excluding unusual items (primarily a gain on the sale of California timberlands) of $8.7 million, or $.08 per diluted share.

Net income for the first six months of 1999 was $112.1 million, or $1.05 per diluted share, on sales of $1.37 billion, compared to net income for the first six months of 1998 of $178.8 million, or $1.64 per diluted share, on sales of $1.17 billion. Excluding unusual items, net income for the first six months of 1999 was $108.9 million, or $1.02 per diluted share, compared to a loss for the first six months of 1998 of $16.4 million, or $.15 per diluted share.

Sustained demand for building products and the continued strength in housing markets factored positively into second quarter earnings. This demand resulted in improved market prices for structural panels (oriented strand board (OSB) and plywood) and lumber which was the primary factor for increased sales and earnings.

L-P operates in five segments: structural products; exterior products; industrial panel products; specialty and other products; and pulp. Structural products is the most significant segment, accounting for more than 50% of sales during the first six months of both 1999 and 1998. L-P's results of operations are discussed separately for each segment below. Production volumes and industry product price trends are presented below in the tables captioned "Summary of Production Volumes" and "Industry Product Price Trends."

SELECTED SEGMENT DATA

	QUARTER ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
	1999	1998	% CHG	1999	1998	% CHG
Sales:						
Structural products	$ 430.1	$ 357.9	+20%	$ 775.1	$ 639.4	+21%
Exterior products	79.1	23.6	+235%	116.9	51.7	+126%
Industrial panel products	73.1	45.3	+61%	126.9	88.5	+43%
Specialty and other products	158.3	175.6	-10%	299.9	350.2	-14%
Pulp	27.9	20.8	+34%	49.8	41.7	+19%
Total sales	$ 768.5	$ 623.2	+23%	$ 1,368.6	$ 1,171.5	+17%
Profit (loss):						
Structural products	$ 148.6	$ 43.1	+245%	$ 222.3	$ 48.1	+362%
Exterior products	16.3	4.7	+247%	24.0	9.6	+150%
Industrial panel products	4.7	1.9	+147%	5.8	2.7	+115%
Specialty and other products	(2.1)	(3.7)	+43%	(9.7)	(10.4)	+7%
Pulp	(4.9)	(3.9)	-26%	(10.7)	(15.5)	+31%
Unusual credits and charges, net.	5.2	328.3	-98%	5.2	328.3	-98%
General corporate and other expense, net	(25.4)	(20.1)	-26%	(51.2)	(43.7)	-17%
Interest income (expense), net	(1.7)	(8.6)	+80%	(.9)	(16.2)	+94%
Income before taxes and minority interest	$ 140.7	$ 341.7	-59%	$ 184.8	$ 302.9	-39%

STRUCTURAL PRODUCTS

The structural products segment consists of oriented strand board (OSB), plywood, lumber and engineered wood products (EWP). The significant growth in sales in the structural products segment in 1999 was primarily due to increases in OSB, plywood and non-redwood lumber prices. OSB, lumber and EWP volume increases were partially offset by a volume decline in plywood.

OSB market prices and sales trends continued upward through the first six months of 1999. OSB average selling prices increased 51% in the second quarter of 1999 compared to the second quarter of 1998 and 42% for the first six months of 1999 compared to the first six months of 1998. Robust U.S. housing markets have created strong demand for OSB and other building products. OSB sales volume increased approximately 2% in the second quarter of 1999 compared to the second quarter of 1998, and 7% for the first six months of 1999 compared to the first six months of 1998 due primarily to the addition of a new mill in April of 1998 that provided a net capacity increase.

Plywood average selling prices increased 30% in the second quarter of 1999 over the second quarter of 1998, offset by an approximate 37% decline in volume. For the first six months of 1999 average selling prices increased 26% over the same period in 1998, offset by an approximate 26% decline in volume. The price increases reflect the strong demand factors discussed above. The volume decreases are primarily the result of a temporary shut-down of plywood manufacturing facilities and the allocation of additional veneer to laminated veneer lumber (LVL) production rather than to plywood production.

Lumber sales increased in the second quarter of 1999 compared to 1998 due to a shift to a higher percentage of outside sales and a lower percentage of sales to the distribution business within L-P (part of the Specialty and Other Products segment). Excluding the effect of redwood lumber operations sold in 1998, average selling prices increased approximately 6% in the second quarter of 1999 compared to the second quarter of 1998, offset by a slight decline in volume. The selling average for redwood lumber is generally significantly higher than for other species of lumber. For the first six months of 1999, excluding the sold redwood lumber operations, average selling prices and volumes did not change significantly.

Engineered wood products (EWP) include engineered I-Joists, LVL and hardwood veneer. Sales of EWP products increased significantly, primarily as a result of a marketing agreement to sell the products of an independent producer. Sales volumes also increased in this segment due to strong residential and commercial construction markets. The average selling prices of EWP products did not change significantly. The price for the basic raw materials (OSB used in the web stock for I-Joists, veneer used in LVL and lumber used for flange material in I-Joists) increased significantly in 1999 due to the market price increases, which led to lower profitability.

In the second quarter of 1999 and in the first six months of 1999, profitability of the structural products segment increased significantly, largely as a result of price improvements for OSB, plywood and non-redwood lumber and improvements in the efficiency of L-P's production facilities. Lower log costs in the southern region of the country contributed to the increase in plywood earnings. Log costs in the southern region of the country decreased approximately 7% in the first six months of 1999 over the same period in 1998, while log costs in northern regions and Canada decreased approximately 5%. Structural products profits also benefited in 1999 from the sale of unprofitable California operations in mid-1998.

EXTERIOR PRODUCTS

The exterior products segment consists of siding and related products such as soffit, facia and trim. In 1999, this segment includes products added from the purchase of ABT, including hardboard siding, vinyl siding and other products. Average sales prices of OSB-based exterior products decreased slightly in the second quarter of 1999 compared to the same period in 1998, while volumes increased about 38%. Average sales prices of OSB-based exterior products decreased slightly for the six months ended June 30, 1999 compared to the six months ended June 30, 1998, while volumes increased about 13%. Increased volumes were primarily due to an increase in the number of distributors in the southeastern distribution network. Total profits increased in 1999 primarily due to the increased sales volume, the acquisition of ABT and more efficient use of production capacity.

INDUSTRIAL PANEL PRODUCTS

The industrial panels segment consists of particleboard, medium density fiberboard (MDF) and hardboard and, in 1999, the laminated industrial panels products of ABT. Increased demand for particleboard and MDF contributed to modestly higher pricing. Higher prices and the addition of the ABT products in 1999 are the primary reasons for the increase in sales and profits in 1999 in this segment over the second quarter of 1998 and over the first six months of 1998.

SPECIALTY AND OTHER PRODUCTS

The specialty and other products segment includes distribution facilities, wood chips, coatings and chemicals, cellulose insulation, Ireland operations, Alaska operations, moldings and other products. In the second quarter of 1999, sales for this segment decreased compared to the second quarter of 1998, primarily due to the sale of the assets of the Weather-Seal windows and doors division, Creative Point Inc. and two California distribution facilities, partially offset by sales of ABT products. The same factors also contributed to the decline in sales in the first six months of 1999 compared to the first six months of 1998.

PULP

Pulp segment operations in 1999 continued to be impacted by the worldwide over-capacity in the pulp industry and the Asian market crisis, although pricing has improved over 1998 as the Asian economy improves. Pulp segment losses increased for the second quarter of 1999 compared to the second quarter of 1998 due primarily to higher maintenance charges related to repairs and higher raw material costs at the Samoa, California mill. Losses decreased for the first six months of 1999 compared to the first six months of 1998, due primarily to partial recovery of inventory market write-downs taken in previous periods and lower unit costs due to higher production volumes. L-P's pulp facilities took significant downtime in the first half of 1998.

UNUSUAL CREDITS AND CHARGES NET

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
Gain on sale of assets	$ 5.2	$ 359.1	$ 5.2	$ 359.1
Adjustment for litigation reserves and other	---	(30.8)	---	(30.8)
	$ 5.2	$ 328.3	$ 5.2	$ 328.3

In the second quarter of 1999, L-P recorded a net gain of $5.2 million ($3.2 million after taxes, or $.03 per diluted share) from the sale of timber and timberlands in Texas.

In the second quarter of 1998, L-P recorded a net gain of $328.3 million ($195.2 million after taxes, or $1.79 per diluted share) primarily resulting from gains on the sales of timberland, sawmill and distribution assets in California and the Weather-Seal window and door business. Charges relating to the settlement of legal issues in Montrose, Colorado of $14.0 million after taxes (or $.13 per diluted share) and other charges were netted against the asset sales gains.

GENERAL CORPORATE AND OTHER EXPENSE

General corporate expense increased primarily due to the addition of sales and marketing personnel as L-P has increased its focus on customers and additional costs for administrative infrastructure, including the conversion to new accounting and human resource systems.

INTEREST INCOME (EXPENSE)

Cash from asset sales was used to repay loans and lines of credit in late 1998, reducing debt levels and net interest expense in 1999 compared to 1998.

LEGAL AND ENVIRONMENTAL MATTERS

Refer to the "Legal Proceedings" section of this Form 10-Q for a discussion of certain legal and environmental matters and the potential impact of these matters on L-P.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operations was $211 million in the first six months of 1999 compared to $130 million in the first six months of 1998. The increase in cash provided by operations resulted primarily from improved operating results (excluding unusual items). Partially offsetting this increase, L-P made $78 million in litigation-related payments, largely due to the early payment program relating to L-P's nationwide class action litigation settlement, during the first six months of 1999 compared to $39 million in the first six months of 1998.

Cash used in investing activities was $254 million in the first six months of 1999 compared to cash provided by investing activities of $228 million in the first six months of 1998. L-P paid $213 million to acquire ABT in February 1999. L-P received approximately $300 million from asset sales proceeds in 1998. Capital expenditures in property, plant, equipment and timber decreased in 1999 compared to 1998, primarily because L-P did not have any new mills under construction. L-P has announced plans to build several wood-processing facilities in Canada, including an OSB plant, and is building an OSB plant in Chile.

In the first six months of 1999, L-P borrowed $165 million to finance the acquisition of ABT. In the first six months of 1998, L-P repaid $265 million on its revolving credit line with the proceeds from $349 million in new borrowings related to the monetization of notes receivable from asset sales.

L-P expects to be able to meet its cash requirements through cash from operations, existing cash balances, existing credit facilities and access to the capital markets. Cash and cash equivalents totaled $153 million at June 30, 1999 compared to $127 million at December 31, 1998. L-P has a $300 million revolving credit facility available through January 2002, under which L-P had $40 million of borrowings outstanding at June 30, 1999. L-P also had $100 million of borrowings under a new uncommitted bank credit facility outstanding at June 30, 1999. L-P has filed a shelf registration statement for the sale of up to $500 million of debt securities to be offered from time to time in one or more series. The proceeds from the sale of such securities are anticipated to be used by L-P for general corporate purposes, which may include repayment of debt (including debt incurred in connection with the acquisition of ABT), and, potentially, for the acquisition of Forex discussed below.

Changes in L-P's balance sheet from December 31, 1998 to June 30, 1999 include increases of $69 million in accounts receivable, $34 million in inventories, $98 million in net property, plant and equipment, and $73 million in goodwill resulting primarily from the consolidation of ABT and L-P for financial reporting purposes. The increase of $145 million in current liabilities resulted primarily from the consolidation of ABT and L-P for financial reporting purposes and an increase in the current portion of contingency reserves to reflect the expected payment, in the first quarter of 2000, of the second fund relating to L-P's nationwide class action siding litigation settlement.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (primarily payments for siding litigation settlements), totaled $308 million at June 30, 1999, of which $205 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of these estimates. The amounts ultimately paid in resolving these contingencies could exceed the current reserves by a material amount. Contingency reserves decreased in 1999 due to the continued implementation of the early payment program relating to L-P's nationwide class action siding litigation settlement. Litigation related payments totaled $78 million for the first six months of 1999.

ACQUISITION

On June 28, 1999, L-P agreed to make a tender offer for the outstanding shares of Le Groupe Forex Inc., a Canadian OSB producer, for $26 (Canadian) per share payable in cash, installment notes or a combination thereof. On August 3, 1999, in response to a competing proposal made by a third party, L-P agreed to increase its offer to $31 (Canadian) per share. At $31 (Canadian) per share, the total purchase price for Forex would be approximately $550 million (US), including the assumption of debt. L-P intends to finance the acquisition by issuing debt under bank or bridge loans or a planned public debt offering (discussed above). Forex is required to notify L-P prior to approving or accepting any competing acquisition proposal that Forex determines is more favorable to its stockholders, whereupon L-P would have five business days to modify, if it so chooses, its offer. If Forex determines that a modification proposed by L-P would result in the competing acquisition proposal not being more favorable to its stockholders, Forex would be required to accept L-P's proposed modification. In certain circumstances, including certain circumstances involving the termination of the agreement between L-P and Forex, Forex would be required to pay L-P a fee in the amount of $28 million (Canadian). The proposed acquisition of Forex is subject to customary conditions, including a condition that at least two-thirds of each class of Forex's capital stock will have been tendered to L-P and a condition relating to the receipt of regulatory approvals.

ASSETS HELD FOR SALE

L-P is in the process of seeking to sell its Chetwynd, British Columbia pulp mill. L-P is also currently in discussions relating to the possible sale of most of the assets of its Ketchikan Pulp Company subsidiary. In addition, L-P is exploring the possible sale of the Samoa, California pulp mill. While L-P currently believes it has adequate support for the carrying value of the affected assets, there can be no assurance that the proceeds ultimately received in any sale transaction would not fall short of the applicable carrying value, resulting in a loss on such sale.

YEAR 2000 COMPLIANCE

The Year 2000 problem refers to a worldwide issue relating to a flaw in many computer programs and computer applications embedded in equipment and other devices. In many existing software and hardware applications, two digits were used to represent the year, such as "99" for "1999." If not corrected, these applications may interpret "00" to be the year 1900 rather than 2000, producing erroneous data or, at worst, failing altogether. L-P recognizes the Year 2000 problem as a serious issue. Accordingly, L-P now considers the potential impact of the Year 2000 in connection with all in-house application development and purchases of third-party software. In the fall of 1997, L-P undertook a formal project to address its Year 2000 exposure and readiness.

All of L-P's business groups, operations and corporate functions are covered by the Year 2000 project. The project team is staffed by full-time employees, contractors and consultants as appropriate. The project is continuously monitored by a management steering committee and L-P's internal auditors to ensure that proper methodology is being followed, that adequate controls are in place and that appropriate steps are being taken to limit risk. In addition, periodic reports are made to senior management, the finance and audit committee and the board of directors.

The project is divided into three primary areas: (1) information systems; (2) manufacturing systems/building infrastructure; and (3) business partners (including suppliers and customers).

INFORMATION SYSTEMS. L-P's information systems include such common business applications as payroll, human resources, sales order entry, inventory management, finance and accounting. L-P's Year 2000 project

phases for information systems include: inventorying and prioritizing all information systems; assessing the Year 2000 readiness of such systems; remediating such systems (through conversion, upgrades, replacement or risk-managed acceptance of non-compliant items); testing; and developing and implementing contingency plans, to the extent determined to be appropriate, for each system. The inventory and assessment phases for L-P's information systems have been completed. L-P has replaced its basic payroll, human resources and most accounting applications with off-the-shelf packages and has completed the remediation of a number of other information systems. As of July 31, 1999, approximately 11% of L-P's other information systems required further remediation through system upgrades and/or replacements. The remediation of these systems is scheduled for completion by September 30, 1999. Testing of information systems and contingency planning are underway and are scheduled to be completed by November 30, 1999.

MANUFACTURING SYSTEMS/BUILDING INFRASTRUCTURE. With respect to L-P's manufacturing systems and building infrastructure, the Year 2000 project is focused on surveying and, where necessary, remediating all computer-controlled and/or embedded devices used in L-P's manufacturing processes or in building infrastructure (such as the heating and air conditioning systems, security access and alarm systems, telephones, and office equipment used in L-P's offices and plants). The Year 2000 project phases for manufacturing systems and building infrastructure include: inventorying items that are exposed to Year 2000 issues; assessing the Year 2000 readiness of such items; remediating such items (through conversion, upgrades, replacement, or risk-managed acceptance of non-compliant items), testing; and developing and implementing contingency plans, to the extent determined to be appropriate, for each business group and facility location. The inventory and assessment phases for L-P's manufacturing systems and building infrastructure has been completed. As of July 31, 1999, approximately 1% of L-P's manufacturing systems and building infrastructure required further remediation. This remediation is scheduled to be completed by September 30, 1999. Testing of manufacturing systems and building infrastructure and contingency planning are underway and are scheduled to be completed by November 30, 1999.

BUSINESS PARTNERS. L-P also faces the risk of business disruption from outside business partners, which may have information systems, manufacturing systems or infrastructure that are not Year 2000 compliant. In this regard, L-P's Year 2000 project includes identifying and prioritizing L-P's major business partners (primarily suppliers of raw materials and essential services such as utilities and transportation and significant customers), assessing their Year 2000 readiness and developing contingency plans where appropriate. The identification and prioritization phases have been completed and L-P has requested that all of its major business partners respond to a survey eliciting information as to their Year 2000 readiness. Of the approximately 50% of the business partners that have responded to the survey, none have disclosed significant readiness issues. However, in light of the substantial number of parties who failed to respond to the survey, L-P recently decided to pursue responses from these parties more aggressively through business-unit operating personnel rather than through corporate management personnel. In addition, as part of its contingency planning process, L-P intends to focus on obtaining appropriate assurances from all critical business partners that have not responded to the survey by September 30, 1999 and to monitor the Year 2000 readiness of its most critical business partners throughout the remainder of 1999.

If L-P's efforts in this regard cause it to believe that significant risk is present, L-P will seek to identify alternate business partners and to develop contingency plans to address potential business disruptions prior to December 1999.

COSTS. The total expense associated with L-P's Year 2000 project is presently estimated to be approximately $7.2 million, of which approximately $4.7 million (including certain costs incurred by ABT prior to its acquisition by L-P) had been incurred by June 30, 1999. These costs are being expensed as incurred and are not expected to have a material effect on L-P's financial position or results of operations. These costs do not include expenses and capital costs associated with replacing systems which L-P would have replaced regardless of Year 2000 issues, including a new human resources information system and a new core financial system.

MOST REASONABLY LIKELY WORST-CASE SCENARIO. The occurrence of unscheduled downtime at L-P's facilities resulting from internal or third-party system failures could have an adverse effect on L-P's business, results of operations and cash flows. In this regard, L-P believes that its dependence on third parties for critical services such as telecommunications, energy, water and other utilities, financial services and transportation poses the greatest risk. L-P is seeking to assess the Year 2000 readiness of all mission critical systems and business partners and to

develop appropriate contingency plans. These plans may include identifying alternative systems and suppliers and assisting major customers who may be affected by Year 2000 issues. However, there can be no assurance that L-P will not experience unscheduled downtime, business disruptions or other adverse consequences of the Year 2000 problem.

ADDITIONAL CONSIDERATIONS. Despite the extensive efforts of L-P's project team, it is likely that some unexpected problems associated with the Year 2000 issue will arise. In addition, the costs and completion dates for L-P's Year 2000 project discussed herein are based on management's estimates, which were derived using numerous assumptions regarding future events, including continued availability of certain resources, remediation plans of business partners and other factors. There can be no assurance that these estimates will be achieved and actual results could differ significantly from L-P's current expectations.

LOUISIANA-PACIFIC CORPORATION
SUMMARY OF PRODUCTION VOLUMES

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
Oriented strand board panels, million square ft 3/8" basis	1,068	986	2,122	1,906
Softwood plywood million square ft 3/8" basis	211	270	447	501
Lumber, million board feet	269	288	529	574
Oriented strand board siding and specialty products million square ft 3/8" basis	94	100	192	195
Hardboard siding surface measure million square ft basis	85	---	114	---
Engineered I-Joists, million lineal feet	21	24	45	46
Laminated Veneer Lumber, thousand cubic ft	1,800	2,000	3,500	3,600
Industrial panel products (particle board, medium density fiberboard and hardboard), million square ft 3/4" basis	175	148	335	293
Pulp, thousand short tons	90	91	185	141

INDUSTRY PRODUCT PRICE TRENDS

	OSB	PLYWOOD	LUMBER	PARTICLEBOARD
	N. CENTRAL 7/16" BASIS 24/16 SPAN RATING	SOUTHERN PINE 1/2" BASIS CDX 3 PLY	FRAMING LUMBER COMPOSITE PRICES	INLAND INDUSTRIAL 3/4" BASIS
Annual Average				
1993	$ 236	$ 282	$ 394	$ 258
1994	265	302	405	295
1995	245	303	337	290
1996	184	258	398	276
1997	142	265	417	262
1998	205	284	349	259
1998 Second Quarter Average	195	262	346	262
1999 First Quarter Average	218	318	384	247
1999 Second Quarter Average	289	343	423	270

Source: Random Lengths. The amounts set forth are dollars per 1,000 square feet or, in the case of lumber, 1,000 board feet.

PART II -- OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Certain legal and environmental matters involving L-P are discussed below.

ENVIRONMENTAL PROCEEDINGS

In March 1995, L-P's subsidiary, Ketchikan Pulp Company ("KPC"), entered into agreements with the federal government to resolve violations of the Clean Water Act and the Clean Air Act that occurred at KPC's pulp mill during the late 1980's and early 1990's. These agreements were subsequently approved by the U.S. District Court for the District of Alaska. In addition to civil and criminal penalties that were paid in 1995, KPC agreed to undertake certain remedial and pollution-control projects. These projects included (i) capital projects for spill containment and water treatment plant upgrades estimated to cost approximately $13.4 million (of which approximately $7.5 million had been spent at June 30, 1999) and (ii) non-capital projects relating to the investigation and remediation of Ward Cove, a body of water adjacent to the mill site, estimated to cost approximately $6.3 million (of which approximately $1.8 million had been spent at June 30, 1999). As a result of the closure of the mill in May 1997, KPC's obligations with respect to the capital projects have been suspended through January 2000, and KPC is in the process of seeking permanent relief from those obligations. KPC's obligations with respect to the Ward Cove investigation and remediation have not been affected by the closure of the mill.

In June 1997, KPC entered into an agreement with the State of Alaska and the U.S. Environmental Protection Agency (the "EPA") to investigate and, if necessary, clean up the former mill site. KPC has completed the investigative portion of this project and commenced work on the clean-up portion of this project, which is expected to be completed in late 1999. Total costs associated with this project are estimated to be between $2.7-$3.0 million, of which approximately $2.7 million had been spent at June 30, 1999.

KPC has completed the closure of a landfill near Thorne Bay, Alaska, pursuant to an agreement with the U.S. Forest Service (the "USFS"). Costs of the project totaled approximately $6.5 million. KPC will monitor leachate from the landfill in order to evaluate whether treatment of the leachate is necessary.

Certain L-P plant sites have, or are suspected of having, substances in the ground or in the groundwater underlying the sites that are considered pollutants. Where the pollutants were caused by previous owners of the property, L-P is vigorously pursuing those parties through legal channels as well as insurance coverage under all applicable policies.

Although L-P's policy is to comply with all applicable environmental laws and regulations, the company has, in the past, been required to pay fines for noncompliance. In some instances, litigation has resulted from contested environmental actions. Also, L-P is involved in other environmental actions and proceedings which could result in fines or penalties. Based on the information currently available, management believes that any fines, penalties or other losses resulting from the matters discussed above will not have a material adverse effect on the consolidated financial position or results of operations of L-P.

COLORADO CRIMINAL PROCEEDINGS

In June 1995, a federal grand jury returned an indictment in the U.S. District Court for the District of Colorado against L-P in connection with alleged environmental violations, as well as alleged fraud in connection with the submission of unrepresentative oriented strand board (OSB) product samples to an industry product certification agency, by L-P's Montrose (Olathe), Colorado OSB plant. In connection with entering a guilty plea as to certain criminal violations in May 1998, (i) L-P agreed to pay total penalties of $37 million (including making $500,000 in charitable contributions), of which $12 million was paid in 1998, and was sentenced to five years of probation and (ii) all remaining charges against L-P were dismissed. Under the terms of the original agreement, the $25 million balance of the fine assessed against L-P, which is secured by a statutory lien, was payable in three equal

annual installments, together with accrued interest, beginning July 1, 2000. However, in April 1999, the court approved a modification to the agreement, pursuant to which L-P paid this balance, without interest, during the second quarter of 1999.

In December 1995, L-P received a notice of suspension from the EPA stating that, because of the criminal proceedings pending against L-P in Colorado, the Montrose facility would be prohibited from purchasing timber directly from the USFS. In April 1998, L-P signed a Settlement and Compliance Agreement with the EPA. This agreement formally lifted the 1995 suspension imposed on the Montrose facility. The agreement has a term of five years and obligates L-P to (i) develop and implement certain corporate policies and programs, including a policy of cooperation with the EPA, an employee disclosure program and a policy of nonretaliation against employees, (ii) conduct its business to the best of its ability in accordance with federal laws and regulations and local and state environmental laws, (iii) report significant violations of law to the EPA, and (iv) conduct at least two audits of its compliance with the agreement.

OSB SIDING MATTERS

L-P has been named as a defendant in numerous class action and nonclass action proceedings, brought on behalf of various persons or purported classes of persons (including nationwide classes in the United States and Canada) who own or have purchased or used OSB siding manufactured by L-P, because of alleged unfair business practices, breach of warranty, misrepresentation, conspiracy to defraud, and other theories related to alleged defects, deterioration, or failure of OSB siding products.

The U.S. District Court for the District of Oregon has given final approval to a settlement between L-P and a nationwide class composed of all persons who own, have owned, or subsequently acquire property on which L-P's OSB siding was installed prior to January 1, 1996, excluding persons who timely opted out of the settlement and persons who are members of the settlement class in the Florida litigation described below. Under the settlement agreement, an eligible claimant whose claim is filed prior to January 1, 2003 (or earlier in certain cases) and is approved by an independent claims administrator, is entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (determined by a third-party construction cost estimator and currently estimated to be in the range of $2.20 to $6.40 per square foot depending on the type of product and geographic location) of damaged siding, reduced by a specific adjustment (of up to 65 percent) based on the age of the siding. Class members who previously submitted or resolved claims under any other warranty or claims program of L-P may be entitled to receive the difference between the amount payable under the settlement agreement and the amount previously paid. The extent of damage to OSB siding at each claimant's property is determined by an independent adjuster in accordance with a specified protocol. Settlement payments are not subject to adjustment for improper maintenance or installation.

A claimant who is dissatisfied with the amount to be paid under the settlement may elect to pursue claims against L-P in a binding arbitration seeking compensatory damages without regard to the amount of payment calculated under the settlement protocol. A claimant who elects to pursue an arbitration claim must prove his entitlement to damages under any available legal theory, and L-P may assert any available defense, including defenses that otherwise had been waived under the settlement agreement. If the arbitrator reduces the damage award otherwise payable to the claimant because of a finding of improper installation, the claimant may pursue a claim against the contractor/builder to the extent the award was reduced.

The settlement requires L-P to contribute $275 million to the settlement fund in seven annual installments payable during the period from 1996 through 2002 in the following amounts: $100 million; $55 million; $40 million; $30 million; $20 million; $15 million; and $15 million. As of June 30, 1999, L-P had funded the first four installments. L-P also had funded a significant portion of the last three installments through the Early Payment Program discussed below. The estimated cumulative total of approved claims under the settlement, as calculated under the terms of the settlement (without giving effect, in the case of unpaid claims, to discounted settlements under the Early Payment Program), exceeded $575 million at June 30, 1999. In these circumstances, unless L-P makes an additional contribution of $50 million to the settlement fund by August 2001, the settlement will terminate as to all claims in excess of $275 million that remain unpaid. In addition, unless L-P makes a second additional contribution of $50 million to the settlement fund by August 2002, the settlement will terminate as to all claims in

excess of $325 million that remain unpaid. If L-P makes both of these additional contributions, the settlement would continue in effect until at least August 2003, at which time L-P would be required to make an election with respect to all unpaid claims that were filed prior to December 31, 2002. If, in August 2003, L-P elects to pay pursuant to the settlement all approved claims that remain unpaid at that time, 50% of the unpaid claims must be paid by August 2004 and the remaining 50% must be paid by August 2005. If L-P elects not to pay the unpaid claims pursuant to the settlement, the settlement will terminate with respect to such unpaid claims and all unpaid claimants will be free to pursue their individual remedies from and after August 2003.

If L-P makes all payments required under the settlement agreement, including all additional payments as specified above, class members will be deemed to have released L-P from all claims for damaged OSB siding, except for claims arising under their existing 25-year limited warranty after termination of the settlement agreement. The settlement agreement does not cover consequential damages resulting from damage to OSB Inner-Seal siding or damage to utility grade OSB siding (sold without any express warranty), either of which could create additional claims. In addition to payments to the settlement fund, L-P was required to pay fees of class counsel in the amount of $26.25 million, as well as expenses of administering the settlement fund and inspecting properties for damage and certain other costs. After accruing interest on undisbursed funds and deducting class notification costs, prior claims costs (including payments advanced to homeowners in urgent circumstances) and payment of claims under the settlement, as of June 30, 1999, approximately $5.3 million remained of the $225 million paid into the fund to date (all of which is presently dedicated to the payment of expenses or held in reserve).

On October 26, 1998, L-P announced an agreement to offer early payments to eligible claimants who have submitted valid and approved claims under the original settlement agreement (the "Early Payment Program") and to establish an additional $125 million fund to pay all other approved claims that are filed before December 31, 1999 (the "Second Settlement Fund").

The Early Payment Program applies to all claimants who are entitled to be paid from the $80 million of mandatory contributions to the settlement fund that remain to be made under the settlement agreement, and to all claimants who otherwise would be paid from the proceeds of the two optional $50 million contributions to the settlement fund that L-P may elect to make under the settlement agreement. The early payments from the $80 million of mandatory contributions are discounted at a rate of 9% per annum calculated from their original payment dates (1999-2002) to the date the early payment offer was made. The early payments from the two $50 million optional contributions are discounted at a rate of 12% per annum calculated from 2001 and 2002, respectively, to the date the early payment offer was made. Claimants may accept or reject the discounted early payments in favor of remaining under the original settlement, but may not arbitrate the amount of their early payments. For purposes of determining whether L-P has made any mandatory or optional contribution to the settlement fund as of the respective due date therefor, L-P will receive credit for the undiscounted amount of such contribution to which the discounted amount thereof paid pursuant to the Early Payment Program is attributable. At June 30, 1999, approximately $130.3 million in Early Payment Program checks had been mailed and $120.7 million had been cashed in settlement claims, while approximately $3.0 million in such checks remained to be mailed. Giving effect only to Early Payment Program checks that had actually been cashed, L-P had effectively satisfied an estimated cumulative total of approximately $352.8 million of its mandatory and optional contributions to the settlement fund at June 30, 1999.

The $125 million Second Settlement Fund represents an alternative source of payment for all approved claims not eligible for the Early Payment Program and all new claims filed before December 31, 1999. In early 2000, claimants electing to participate in the Second Settlement Fund will be offered a pro rata share of the fund in complete satisfaction of their claims, which they may accept or reject in favor of remaining under the original settlement. Claimants who accept their pro rata share may not file additional claims under the settlement or arbitrate the amount of their payments. Claimants who elect not to participate in the Second Settlement Fund remain bound by the terms of the original settlement. If L-P is dissatisfied with the number of claimants who elect to be paid from the Second Settlement Fund, L-P may refuse to proceed with funding at its sole option. In that event, the Second Settlement Fund will be canceled and all the claimants who had elected to participate in it will be governed by the original settlement.

A settlement of a related class action in Florida was approved by the Circuit Court for Lake County, Florida, on October 4, 1995. Under the settlement, L-P has established a claims procedure pursuant to which members of the settlement class may report problems with L-P's OSB siding and have their properties inspected by an independent adjuster, who will measure the amount of damage and also determine the extent to which improper design, construction, installation, finishing, painting, and maintenance may have contributed to any damage. The maximum payment for damaged siding is $3.40 per square foot for lap siding and $2.82 per square foot for panel siding, subject to reduction by up to 75 percent for damage resulting from improper design, construction, installation, finishing, painting, or maintenance, and also subject to reduction for age of siding more than three years old. L-P has agreed that the deduction from the payment to a member of the Florida class will be not greater than the deduction computed for a similar claimant under the national settlement agreement described above. Class members will be entitled to make claims until October 4, 2000.

ABT HARDBOARD SIDING MATTERS

ABT, ABTco, Inc., a wholly owned subsidiary of ABT ("ABTco" and, together with ABT, the "ABT Entities"), Abitibi-Price Corporation ("Abitibi"), a predecessor of ABT, and certain affiliates of Abitibi (the "Abitibi Affiliates" and, together with Abitibi, the "Abitibi Entities") have been named as defendants in a conditionally certified class action filed in the Circuit Court of Choctaw County, Alabama, on December 21, 1995 and in six other putative class action proceedings filed in the following courts on the following dates: the Court of Common Pleas of Allegheny County, Pennsylvania on August 8, 1995; the Superior Court of Forsyth County, North Carolina on December 27, 1996; the Superior Court of Onslow County, North Carolina on January 21, 1997; the Court of Common Pleas of Berkeley County, South Carolina on September 25, 1997; the Circuit Court of Bay County, Florida on March 11, 1998; and the Superior Court of Dekalb County, Georgia on September 25, 1998. These actions were brought on behalf of various persons or purported classes of persons (including nationwide classes) who own or have purchased or used hardboard siding manufactured or sold by the ABT Entities or the Abitibi Entities. In general, the plaintiffs in these actions have alleged unfair business practices, breach of warranty, fraud, misrepresentation, negligence, and other theories related to alleged defects, deterioration, or other failure of such hardboard siding, and seek unspecified compensatory, punitive, and other damages, attorneys' fees and other relief. In addition, Abitibi has been named in certain other actions, which may result in liability to ABT under the allocation agreement between ABT and Abitibi described below. Except in the case of certain of the putative class actions that have been stayed, the ABT Entities have filed answers in these proceedings that deny all material allegations of the plaintiffs and assert affirmative defenses. L-P intends to cause the ABT Entities to defend these proceedings vigorously.

L-P, the ABT Entities and the Abitibi Entities have also been named as defendants in putative class action proceedings filed in the Circuit Court of Jackson County, Missouri on April 22, 1999 and the District Court of Johnson County, Kansas on July 14, 1999 and brought on behalf of purported classes of persons in Missouri and Kansas, respectively, who own or have purchased hardboard siding manufactured by the defendants. In general, the plaintiffs in these proceedings have alleged breaches of warranty, fraud, misrepresentation, negligence, strict liability and other theories related to alleged defects, deterioration or other failure of such hardboard siding, and seek restitution, punitive damages, attorneys' fees and other relief. L-P and the ABT Entities intend to defend this proceeding vigorously.

ABT and Abitibi have agreed to an allocation of liability with respect to claims relating to (1) siding sold by the ABT Entities after October 22, 1992 ("ABT Board"), and (2) siding sold by the Abitibi Entities on or before, or held as finished goods inventory by the Abitibi Entities on, October 22, 1992 ("Abitibi Board"). In general, ABT and Abitibi have agreed that all amounts paid in settlement or judgment (other than any punitive damages assessed individually against either the ABT Entities or the Abitibi Entities) following the completion of any claims process resolving any class action claim (including consolidated cases involving more than 125 homes owned by named plaintiffs) shall be paid (a) 100% by ABT insofar as they relate to ABT Board, (b) 65% by Abitibi and 35% by ABT insofar as they relate to Abitibi Board, and (c) 50% by ABT and 50% by Abitibi insofar as they cannot be allocated to ABT Board or Abitibi Board. In general, amounts paid in connection with class action claims for joint local counsel and other joint expenses, and for plaintiffs' attorneys' fees and expenses, are to be allocated in a similar manner, except that joint costs of defending and disposing of class action claims incurred prior to the final determination of what portion of claims relate to ABT Board and what portion relate to Abitibi Board are to be paid

50% by ABT and 50% by Abitibi (subject to adjustment in certain circumstances). ABT and Abitibi have also agreed to certain allocations (generally on a 50/50 basis) of amounts paid for settlements, judgments and associated fees and expenses in respect of non-class action claims relating to Abitibi Board. ABT is solely responsible for such amounts in respect of claims relating to ABT Board. Based on the information currently available, management believes that the resolution of the foregoing matters will not have a material adverse effect on the financial position or results of operations of L-P.

FIBREFORM WOOD PRODUCTS, INC. PROCEEDINGS

L-P has been named as a defendant in an action filed by FibreForm Wood Products, Inc. ("FibreForm") in the Superior Court of Los Angeles County, California on July 13, 1999. The action was subsequently removed by L-P and the other named defendants to the United States District Court for the Central District of California. FibreForm has alleged, in connection with failed negotiations between FibreForm and L-P regarding a possible joint venture, that L-P and the other defendants engaged in a fraudulent scheme to gain control over FibreForm's proprietary manufacturing processes under the guise of such negotiations. FibreForm has alleged fraudulent misrepresentation, negligent misrepresentation, misappropriation of trade secrets, unfair competition, breach of contract and breach of a confidentiality agreement by L-P and the other defendants. FibreForm seeks general, special and consequential damages of at least $250 million, punitive damages, restitution, injunctive and other relief and attorneys' fees. L-P believes that FibreForm's allegations are without merit and intends to defend this action vigorously. Based on the information currently available, management believes that the resolution of the foregoing matters will not have a material adverse effect on the financial position or results of operations of L.P.

OTHER PROCEEDINGS

L-P and its subsidiaries are parties to other legal proceedings. Management believes that the outcome of such proceedings will not have a material adverse effect on the consolidated financial position or results of operations of L-P.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

L-P held its Annual Meeting of Stockholders on May 10, 1999, at which the stockholders of L-P voted on and approved the following:

1. The election of two Class II directors of L-P for terms expiring at the Annual Meeting of Stockholders in 2002.

2. An amendment to L-P's 1992 Non-Employee Director Stock Option Plan (the "Plan") to increase the number of shares of L-P's common stock available for option grants under the Plan by 600,000 shares to a total of 1,200,000 shares.

3. Approval of a stockholder proposal relating to stockholder action by written consent.

The voting with respect to each of these matters was as follows:

1. ELECTION OF DIRECTORS

NAME	FOR	WITHHELD
Paul W. Hansen	84,145,439	2,348,449
Donald R. Kayser	84,967,999	1,525,889

2. AMENDMENT TO 1992 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

FOR	AGAINST	ABSTENTIONS
77,518,436	8,072,422	903,030

3. STOCKHOLDER PROPOSAL RELATING TO STOCKHOLDER ACTION BY WRITTEN CONSENT

FOR	AGAINST	ABSTENTIONS	NON-VOTES
49,957,593	23,847,381	1,572,253	11,116,661

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) EXHIBITS

10.1	Amended and Restated Support Agreement, dated August 2, 1999, between L-P and Forex
10.2	Amended and Restated Lock-Up Agreement, dated August 2, 1999, among L-P and each of the parties identified in Schedule B thereof
27.1	Financial Data Schedule

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed by L-P during the quarter ended June 30, 1999

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date: August 3, 1999 By: /s/ Gary C. Wilkerson

Gary C. Wilkerson
Vice President and General Counsel

Date: August 3, 1999 By: /s/ Curtis M. Stevens

Curtis M. Stevens
Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT 10.1

AMENDED AND RESTATED SUPPORT AGREEMENT

LOUISIANA-PACIFIC CORPORATION

August 2, 1999

CONFIDENTIAL
- ------------

LE GROUPE FOREX INC.
1 Place Ville-Marie, Suite 3415
Montreal, Quebec
H3B 3N6

Dear Sirs:

This letter agreement (the "Agreement") sets out the terms and conditions upon which Louisiana-Pacific Corporation (the "Offeror") will, either directly or through a wholly-owned subsidiary, make an offer on the terms summarized in Schedule "A" to this Agreement (the "Offer") for all of the issued and outstanding Class A Multiple Voting Shares (the "Class A Shares") and all of the issued and outstanding Class B Subordinate Voting Shares (the "Class B Shares, and collectively with the Class A shares, the "Common Shares") of Le Groupe Forex Inc. (the "Corporation") at the price per Common Share specified in Schedule "A". This Agreement amends and restates the Support Agreement dated June 25, 1999, as amended on July 21, 1999 between the Offeror and the Corporation.

This Agreement further sets out certain covenants of the Corporation.

1. THE OFFER

1.1 TIMING. The Offeror agrees to make the Offer for 100% of the Common Shares as soon as possible but in any event not more than ten (10) calendar days after the date of this Agreement provided that, if the Corporation has given to the Offeror a notice contemplated by Section 3.2 (j) hereof prior to the making of the Offer, such ten (10) day period may, at the option of the Offeror, be extended by ten (10) days.

1.2 CONDITIONS PRECEDENT. Notwithstanding section 1.1, the Offeror shall not be required to make the Offer (and shall, if it determines not to make the Offer, without prejudice to any other rights, terminate this Agreement by written notice to the Sellers and the Corporation) if:

(a) prior to the making of the Offer, (i) any act, action, suit or proceeding shall have

been taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada or elsewhere, or (ii) any law, regulation or policy shall have been proposed, enacted, promulgated or applied:

a. to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or any of them pursuant to the Offer or the right of the Offeror to own or exercise full rights of ownership of the Common Shares or any of them; or

b. which, if the Offer was consummated, would, in the judgment of the Offeror, acting reasonably, materially and adversely affect the Corporation and each of Forex OSB Inc. and Forex Chambord Inc. (the "Subsidiaries") considered as a whole;

(b) at the time the Offeror proposes to make the Offer, there exists any prohibition at law (other than those referred to in paragraphs 2(b), (c) or (d) of Schedule "A" hereto) against the Offeror making the Offer or taking up and paying for 100% of the Common Shares under the Offer;

(c) there shall have occurred (or there shall have been generally disclosed, if previously undisclosed generally) any change (other than a change in the market conditions or price of O.S.B.)(or any condition, event or development involving a prospective change) in the business, assets, capitalization, financial condition, licenses, permits, rights or privileges, whether contractual or otherwise, of the Corporation or any of its Subsidiaries which, in the judgment of the Offeror, acting reasonably, is or would be materially adverse to the Corporation and its Subsidiaries considered as a whole;

(d) the Offeror shall not have obtained assurances acceptable to it with respect to CAAFS held by the Corporation from such appropriate governmental authorities as it shall consider desirable to ensure that there will be no termination, default (other than a default resulting from a change of control) breach or other adverse effects on the Corporation or the Subsidiaries as a result of the transactions contemplated herein;

(e) the agreement entered into on the date hereof between the holders of Common Shares listed on Schedule "C" hereof (the "Sellers") and the Offeror whereby such Sellers agreed to deposit irrevocably and unconditionally

under the Offer that number of Common Shares, respectively, set forth opposite their names on Schedule "C" including such Common Shares to be issued pursuant to the exercise of the options referred to therein is not in full force and effect (the "Lock-Up Agreement");

(f) any representation or warranty of any of the Sellers in the Lock-Up Agreement or any representation or warranty of the Corporation in this Agreement shall not have been, as of the date made, true and correct in all material respects, or the Corporation or any of the Sellers shall not have respectively performed in all material respects any covenant or complied with any agreement to be performed by them or it under the Lock-Up Agreement and this Agreement; or

(g) all non-unionized individuals working for the Corporation as a result of services agreement entered into between the Corporation and companies controlled by insiders of the Corporation shall not have agreed to become employees of the Corporation before the Offeror takes up and pays for the Common Shares (the "Effective Date").

The foregoing conditions are for the sole benefit of the Offeror and may be waived by the Offeror in whole or in part at any time and shall be deemed to have been waived by it by the making of the Offer.

2. Representations and Warranties

2.1 REPRESENTATIONS AND WARRANTIES OF THE OFFEROR. The Offeror hereby represents and warrants that:

(a) the Offeror is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(b) the Offeror has the financial resources and is financially capable of completing the Offer; and

(c) the Offeror has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; the execution and delivery of this Agreement by Offeror and the consummation by the Offeror of the transactions contemplated by this Agreement have been duly authorized by the board of directors of the Offeror and no other corporate proceedings on the part of the Offeror are necessary to authorize this Agreement or the transactions contemplated hereby and this Agreement has been duly executed and delivered by Offeror and constitutes a valid and binding agreement of the Offeror, enforceable against the Offeror in accordance with its terms subject to the usual

exceptions as to bankruptcy and the availability of equitable remedies.

2.2 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION. In addition to the representations and warranties made by the Corporation in Schedule B hereof, the Corporation hereby represents and warrants that its board of directors, upon consultation with its financial and legal advisors, has determined that the price per Common Share offered pursuant to the Offer is fair to the holders of Common Shares and that the Offer is in the best interests of the Corporation and the holders of Common Shares.

3. Covenants of the Corporation

3.1 GENERAL. The Corporation hereby covenants that until the Offeror has taken up and paid for the Common Shares under the Offer or abandoned the Offer or the terms of this Agreement have been terminated by the Corporation or the Offeror pursuant to Section 6 hereof:

(a) except as previously disclosed to the Offeror, it shall, and shall cause each of its Subsidiaries or to, conduct its and their respective businesses only in, and not take or omit to take any action except in, the usual, ordinary and regular course of business and consistent with past practice;

(b) except as previously disclosed to the Offeror, it will use its reasonable best efforts to cause the Corporation to comply promptly with all material requirements which applicable law may impose on the Corporation and its Subsidiaries;

(c) it will promptly advise the Offeror orally and in writing of any material change known to the Corporation in the condition (financial or otherwise), properties, assets, liabilities, operations, business or prospects of the Corporation or any of its Subsidiaries;

(d) except for transactions (i) contemplated among the parties by this Agreement or (ii) disclosed in writing by the Corporation to the Offeror, prior to the Corporation or any of its Subsidiaries making or agreeing to make any commitment or agreement with respect to the following matters, it shall not and shall not suffer or permit any Subsidiary to;

(i) pay any dividend or issue or commit to issue any share of or other ownership interest in the Corporation or the Subsidiaries (other than as referred to in paragraph (d) of Schedule "B" hereof);

(ii) grant or commit to grant any options, warrants, convertible securities or rights to subscribe for, purchase or otherwise acquire or exchange into any shares or other ownership interest in the Corporation or any subsidiary;

(iii) directly or indirectly redeem, purchase or otherwise acquire or commit or offer to acquire any share of or other ownership interest in the Corporation or any subsidiary;

(iv) effect any subdivision, consolidation or reclassification of any of its shares (or pay any dividend or make any distribution on or in respect of any of its shares); or

(v) amend its articles or by-laws;

(e) it shall not, and shall cause its Subsidiaries not to, settle or compromise any claim brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement prior to the Effective Date without the prior written consent of the Offeror, such consent not to be unreasonably withheld;

(f) except in the usual, ordinary and regular course of business and consistent with past practice, or except as previously disclosed in writing to the Offeror or as required by applicable laws, it and its Subsidiaries shall not enter into or modify in any material respect any contract, agreement, commitment or arrangement which new contract or series of related new contracts or modification to an existing contract or series of related existing contracts would be material to the Corporation or which would have a material adverse effect on the Corporation;

(g) without restricting the fiduciary obligations of its directors, it shall use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and to take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Offer and the transactions contemplated by this Agreement;

(h) it shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable laws required in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such laws;

(i) it shall use its reasonable commercial efforts to conduct its affairs and shall cause its Subsidiaries to conduct their affairs so that all of its representations and warranties contained herein shall be true and correct in all material respects on and as of the Effective Date as if made on and as of such date;

(j) it will forthwith request from every person to whom it has provided, since January 1, 1999, confidential information concerning the Corporation in the context of an Acquisition Proposal (as defined in Section 3.2(f) that such person (including Boise Cascade Corporation or any of its affiliates and associates) immediately return to the Corporation such information and all copies thereof in any form whatsoever under the power or control of any person and delete any such information from all retrieval systems and data bases;

(k) if the Offeror takes up and pays for Common Shares pursuant to the Offer, it will use all reasonable commercial efforts to enable the Offeror to acquire the balance of the Common Shares as soon as practicable by way of compulsory acquisition or any subsequent acquisition transaction (as such expressions are defined in the Offer); and

(l) use its reasonable best efforts to cause all members of the board of directors of the Corporation and its Subsidiaries to resign at the time and in the manner requested by the Offeror, after the Offeror takes up and pays for the Common Shares.

3.2 SUPPORT FOR OFFER. The Corporation confirms to the Offeror and covenants that:

(a) its board of directors supports the Offer and has decided to recommend its acceptance to holders of Common Shares;

(b) the Corporation will use its reasonable best efforts to mail the directors' circular (including such recommendation) with the Offer, as well as to provide drafts thereof to the Offeror and give the Offeror a reasonable opportunity to comment thereon;

(c) the Corporation will cause a list of shareholders of the Corporation prepared by the Corporation or the transfer agent(s) of the Corporation in accordance with section 123.113 of the COMPANIES ACT (Quebec) and a list of holders of stock options and any other rights, warrants or convertible securities currently outstanding (with full particulars as to the purchase, exercise or conversion price and expiry date) prepared by the Corporation (as well as a security position listing from each depositary, including The Canadian

Depository for Securities Limited) to be delivered to the Offeror within two business days after execution of this Agreement and supplemental lists setting out any changes thereto for each business day thereafter to be delivered forthwith to the Offeror, all such deliveries to be both in printed form and computer-readable format;

(d) notwithstanding the pre-agreement investigation of the Corporation and its Subsidiaries conducted by or on behalf of the Offeror, the Corporation and its Subsidiaries shall give the Offeror and its authorized agents reasonable ongoing access during the term of this Agreement, upon reasonable notice to the Corporation, to all of the Corporation's and its subsidiaries' personnel, assets, properties, books, records, agreements and commitments and to reasonably co-operate with the Offeror and any such authorized persons in their review and furnish such persons with all material information with respect to the Corporation and its Subsidiaries and their ongoing operations and activities as the Offeror or any person authorized by it may reasonably request, provided that the Offeror shall not unreasonably disrupt the normal business operations of the Corporation or its Subsidiaries;

(e) (i) its board of directors has determined unanimously to use its and their respective reasonable efforts (x) to encourage all persons holding options to exercise such options prior to the expiry of the Offer which, by their terms, are otherwise exercisable and to tender all Common Shares issued in connection therewith to the Offer and (y) to encourage all persons holding convertible debentures to deposit such convertible debentures for conversion prior to the expiry of the Offer conditional upon the Offeror taking up and paying for the Common Shares deposited under the Offer, (ii) its board of directors has also resolved and has authorized and directed the Corporation, subject to any required regulatory or stock exchange approval, to cause the vesting of option entitlements, to accelerate prior to or concurrent with the expiry of the Offer which, by their terms, are otherwise accelerated upon the Offeror's purchase of the Common Shares, such that outstanding options to acquire Common Shares are exercisable prior to or concurrent with the expiry of the Offer, and to arrange for all Common Shares that are fully paid thereunder to be distributed to those persons entitled thereto so as to be able to be tendered into the Offer and to thereafter satisfy all other obligations of the Corporation under such plans;

(f) the Corporation shall not, directly or indirectly, through any officer, director, employee, representative or agent of the Corporation or any of its Subsidiaries, solicit, initiate or knowingly encourage or facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals

regarding an Acquisition Proposal (as defined below), participate in any, discussions or negotiations regarding any Acquisition Proposal, withdraw or modify in a manner adverse to the Offeror the approval of the Board of Directors of the Corporation of the transactions contemplated hereby, accept or approve or recommend any Acquisition Proposal or cause the Corporation to enter into any agreement related to any Acquisition Proposal; provided, however, that subject to paragraph (j) below but notwithstanding the preceding part of this paragraph and any other provision of this Agreement, nothing shall prevent the Board of Directors of the Corporation from considering, negotiating, approving, recommending to its shareholders or entering into an agreement in respect of an unsolicited bona fide written Acquisition Proposal made and received under circumstances not involving any breach of this Section that the Board of Directors of the Corporation determines in good faith, after consultation with financial advisors and after receiving a written opinion of outside counsel to the effect that the Board of Directors of the Corporation is required to take such action in order to discharge properly its fiduciary duties, would, if consummated in accordance with its terms, result in a transaction more favourable to the Corporation's shareholders than the transaction contemplated by this Agreement (any such Acquisition Proposal being referred to herein as a "Superior Proposal"), or from approving or recommending such Superior Proposal. "Acquisition Proposal" means any merger, amalgamation, take-over bid, sale of material assets (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), any sale of a material number of shares or rights or interests therein or thereto or similar transactions involving the Corporation or any Subsidiaries, or a proposal to do so, excluding this Offer;

(g) the Corporation shall promptly notify the Offeror of any future Acquisition Proposal of which directors or senior officers become aware, or any amendments to the foregoing, or any request for non-public information relating to the Corporation or any Subsidiaries in connection with an Acquisition Proposal or for access to the properties, books or records of the Corporation or any Subsidiary by any person or entity that informs the Corporation or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice shall include a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as the Offeror may reasonably request including the identity of the person making such proposal, inquiry or contact;

(h) if the Corporation receives a request for non-public information from a person who shall have made a bona fide Acquisition Proposal (the existence and content of which have been disclosed to the Offeror), and the Board of

Directors of the Corporation determines that such proposal would be a Superior Proposal pursuant to paragraph (f) above after having received the opinion referred to therein, then, and only in such case, the Board of Directors of the Corporation may, subject to the execution of a confidentiality agreement containing a standstill provision substantially similar to that contained in the confidentiality agreement signed by the Offeror, provide such person with access to information regarding the Corporation, provided, however that the Corporation sends a copy of any such confidentiality agreement to the Offeror immediately upon its execution and the Offeror is provided with a list of or copies of the information provided to such person and immediately provided with access to similar information to which such person was provided;

(i) the Corporation shall ensure that its and its Subsidiaries' officers, directors, employees and any financial advisors or other advisors, agents or representatives retained by it are aware of the provisions of this Section, and it shall be responsible for any breach of this Section by any such persons;

(j) the Corporation shall not withdraw or modify in a manner adverse to the Offeror its approval or recommendation of the Offer or accept, approve, recommend or enter into any agreement in respect of an Acquisition Proposal (other than a confidentiality agreement) on the basis that it would constitute a Superior Proposal unless (i) it has notified the Offeror of its bona fide intention to do so and provided the Offeror with a copy of the documentation setting forth or providing for such Acquisition Proposal, and (ii) five business days shall have elapsed from the later of the date the Offeror received such notice and the date the Offeror received a copy of such documentation;

(k) during such five business day period, the Corporation acknowledges that the Offeror shall have the opportunity, but not the obligation, to offer to amend the terms of this Agreement. The Board of Directors of the Corporation will review any offer by the Offeror to amend the terms of this Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the Offeror's offer upon acceptance by the Corporation would result in the Acquisition Proposal not being a Superior Proposal. If the Board of Directors of the Corporation so determines, it will enter into an amended agreement with the Offeror reflecting the Offeror's amended proposal; and

(l) the Corporation acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for all purposes of this Section, including the five business days period referred in paragraphs ((j)) and ((k)).

4. Covenants of the Offeror

4.1 OFFEROR. Subject to the terms and conditions hereof, the Offeror hereby covenants to:

(a) use its reasonable commercial efforts to successfully complete the Offer, including diligently pursuing all requisite regulatory approvals;

(b) co-operate with the Sellers and the Corporation in making all requisite regulatory filings, and giving evidence in relation thereto, and to provide copies of all written documents and submissions and responses with respect thereto in connection with regulatory proceedings; and

(c) provide copies of drafts of the Offer to the Corporation, in order to provide them with an opportunity to comment.

4.2 CONFIDENTIALITY AGREEMENT. The Offeror hereby covenants and agrees to be bound by the terms of the confidentiality agreement dated June 18, 1999 between the Offeror and the Corporation (the "Confidentiality Agreement") throughout the term of this Agreement and in the event that this Agreement is terminated for any reason whatsoever. The Corporation hereby confirms and agrees that the Confidentiality Agreement will be null and void in the event that the Offeror takes up and pays for Common Shares under the Offer. Furthermore, in such circumstances, each of the Sellers agrees to hold all Information (as defined below) confidential and not to use it in any way detrimental to the interests of the Offeror, the Corporation or its Subsidiaries, except as required by law. For the purposes hereof, "Information" has the meaning ascribed to such expression in the Confidentiality Agreement.

5. Break Fee Event

5.1 A "Break Fee Event" shall occur if (x) the Board of Directors of the Corporation shall withdraw or modify in a manner adverse to the Offeror its approval or recommendation of the Offer, or approve or recommend any Superior Proposal, or determine at the conclusion of the process set out in Section 3.2 (k) and (l) that any Acquisition Proposal is a Superior Proposal, or shall fail to reaffirm such approval or recommendation upon the Offeror's request, or take or resolve to take any of the foregoing actions, or (y) an Acquisition Proposal shall have been made directly to the Corporation's shareholders for a consideration exceeding $31.00 prior to the Offeror making the Offer and the Offeror shall decide not to make the Offer and such Acquisition Proposal succeeds.

6. Termination

6.1 TERMINATION BY CORPORATION. The Corporation, when not in default in performance of its material obligations under this Agreement, may, without prejudice to any other rights and subject to Section 6.3 hereof, terminate its obligations under this Agreement by notice to the Offeror if:

(a) the Offer has not been made within the time period provided in Section 1.1;

(b) the Offer does not conform in all material respects with the description of the Offer in Schedule "A";

(c) the Offeror has not taken up and paid for the Common Shares on or prior to December 31, 1999;

(d) Common Shares deposited under the Offer have not, for any reason whatsoever (other than that all the terms and conditions of the Offer have not been complied with or waived by the Offeror) been taken up and paid for on or before the expiry of ten days after the expiry of the Offer (as it may have been extended); or

(e) A Break Fee Event described in clause (x) of Section 5.1 shall have occurred, provided that no termination under this paragraph shall be effective unless and until the Corporation shall have paid the Offeror by bank draft or wire transfer the sum of $28 million in immediately available funds (the "Break Fee").

6.2 TERMINATION BY OFFEROR. The Offeror, when not in default in performance of its material obligations under this Agreement, may, without prejudice to any other rights, terminate its obligations under this Agreement by notice to the Corporation if:

(a) the Offeror has not taken up and paid for the Common Shares on or prior to December 31, 1999;

(b) a Break Fee Event shall have occurred;

(c) as a result of the failure of any of the conditions set forth in Schedule "A", the Offer shall have expired or have been terminated in accordance with its terms without the Offeror having purchased any Common Share pursuant to the Offer; or

(d) the Sellers or the Corporation shall have breached in any material respect any of their respective representations, warranties, covenants or other agreements contained in the Lock-Up Agreement or this Agreement.

6.3 PAYMENT OF BREAK FEE. The Corporation shall pay the Break Fee to the Offeror (i) in the event of any termination of this Agreement pursuant to paragraph (b) or (d) of Section 6.2, or (ii) in the event that an Acquisition Proposal made by a person other than the Offeror shall be publicly announced or communicated to the Corporation prior to the termination hereof and consummated within twelve (12) months of the date of this Agreement or six (6) months after termination of this Agreement whichever shall occur later. Such Break Fee shall be payable by bank draft or wire transfer no later than the first business day following the termination of this Agreement in the circumstances described in (i) above or the first business day following the consummation of the Acquisition Proposal in the circumstances described in (ii) above.

6.4 EFFECT OF TERMINATION. In the event of the termination of this Agreement pursuant to Section 6.1 or 6.2, this Agreement (except for Sections 6.1(e), 6.3, 6.4 and 7) shall forthwith become void and cease to have any force or effect without any liability on the part of any party hereto or any of its affiliates; provided however that nothing in this Section 6.4 shall relieve any party to this Agreement of liability for any breach of this Agreement.

7. General

7.1 DISCLOSURE. Except as required by applicable laws or regulations, or as required by any competent governmental, judicial or other authority, or in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement or the Lock-Up Agreement without the approval of the others, which shall not be unreasonably withheld. Moreover, the parties agree to consult with each other prior to issuing each public announcement or statement with respect to this Agreement or the Lock-Up Agreement.

7.2 ASSIGNMENT. The Offeror may assign all or any part of its rights and/or obligations under this Agreement to a wholly-owned subsidiary of the Offeror, but, if such assignment takes place, the Offeror shall continue to be liable to the Corporation for any default in performance by the assignee. This Agreement shall not otherwise be assignable by any party without the consent of the other.

7.3 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and of Canada applicable therein (without regard to conflict of laws principles).

7.4 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties made by the Corporation shall survive until the Effective Date and the representations and warranties made by the Offeror herein shall survive for a period of one year from the date hereof except that any representations which prove to be incorrect

or untrue as a result of tax matters shall survive only as to such tax matters until thirty (30) days following the last applicable limitation period under applicable tax laws and except in the case of fraud which shall survive indefinitely. No investigations made by or on behalf of the Offeror or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the Corporation herein or pursuant hereto.

7.5 AMENDMENTS. This Agreement may not be amended except by written agreement signed by all of the parties to this Agreement.

7.6 SPECIFIC PERFORMANCE AND OTHER EQUITABLE RIGHTS. Each of the parties recognizes and acknowledges that this Agreement is an integral part of the Offer, that the Offeror would not contemplate causing the Offer to be made unless this Agreement was executed, and that a breach by any party of any covenants or other commitments contained in this Agreement will cause the other parties to sustain injury for which they would not have an adequate remedy at law for money damages. Therefore, each of the parties agrees that in the event of any such breach, the aggrieved party or parties shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it or they may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

7.7 EXPENSES. The Corporation shall pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred. The Offeror shall pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

7.8 BUSINESS DAY. A business day for the purpose of this Agreement shall mean any day on which chartered banks in the City of Montreal are open for business.

7.9 COUNTERPARTS. This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of a telecopier transmission.

7.10 SCHEDULE. Schedules "A" , "B" and C hereto shall for all purposes form an integral part

of this Agreement.

7.11 ENTIRE AGREEMENT. This Agreement, together with the Confidentiality Agreement (as defined herein) and any document referred to herein, constitutes the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement.

7.12 TIME. Time shall be of the essence in this Agreement.

7.13 CURRENCY. All sums of money referred to in this Agreement shall mean Canadian funds.

7.14 NOTICES. Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier, in the case of:

(a) the Offeror, addressed as follows:

Louisiana-Pacific Corporation
111 South West Fifth
Portland, Oregon
USA 97204

Attention: The Office of the General Counsel

Telecopier No. (503) 796-0105

with a copy to:

Stikeman, Elliott
Suite 4000
1155 West Rene-Levesque Blvd.
Montreal, Quebec
H3B 3V3

Attention: Pierre A. Raymond

Telecopier No.: (514) 397-3222

(b) the Corporation, addressed as follows:

Le Groupe Forex Inc.
1, Place Ville-Marie, suite 3415
Montreal, Quebec
H3B 3N6

Attention: Jacques Dalpe, Vice-president Affaires juridiques

Telecopier No.:

with a copy to:

Martineau Walker
Tour de la Bourse
800, Place Victoria, Suite 3400
Montreal, Quebec
H4Z 1E9

Attention: Maurice Forget

Telecopier No.: (514) 397-7600

or to such other address as the relevant party may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof.

8. Special Provisions

8.1 JOINT CONDUCT. Notwithstanding any other provision hereof, the Offeror shall upon its written election have no obligations hereunder to the Corporation if the Corporation fails to comply with the terms hereof or with any of its covenants or agreements hereunder or if any of the representations or warranties of the Corporation prove to be incorrect or untrue in any material respect.

8.2 COMMON SHARES. References to "Common Shares" include any shares into which the foregoing may be reclassified, sub-divided, consolidated or converted and any rights and benefits arising therefrom including any extraordinary distributions of securities which may be declared in respect of the Common Shares.

If the terms and conditions of this letter are acceptable to you, please so indicate by executing and returning the enclosed copy hereof to the undersigned prior to 8:00 p.m. (Montreal time) on August 2, 1999, failing which this offer shall be null and void.

Yours truly,

Louisiana-Pacific Corporation

By: /s/Gary Wilkerson

Gary Wilkerson

Agreed and accepted this 2nd day of August 1999

Le Groupe Forex Inc.

By: /s/ J. J. Cossette

Jean-Jacques Cossette

SCHEDULE "A"

TERMS OF THE OFFER

1. GENERAL TERMS. The Offer shall be made by a circular bid prepared in compliance with the Securities Act (Quebec) and other applicable provincial securities laws. The Offer shall be open for twenty-one (21) days or such longer period as may be required to satisfy all of the conditions set forth in paragraph 3 below, provided that in no event shall the Offer be required to be open after December 31, 1999.

2. PRICE OF THE OFFER. The Offer shall be made for a consideration of not less than Cdn. $31.00 per Common Share payable, at the option of the holder, in cash, by the delivery of Instalment Notes (which shall be deemed for purposes of the Offer to have a value equal to the original principal amount thereof) or a combination thereof.

3. CONDITIONS OF THE OFFER. The Offer shall not be subject to any conditions other than those substantially described as follows:

(a) not less than 66-2/3% of the outstanding Class A Multiple Voting Shares and not less than 66-2/3% of the outstanding Class B Subordinate Voting Shares (on a fully-diluted basis, assuming that all rights to acquire Common Shares were to be exercised in full) are tendered under the Offer and not withdrawn at the expiration of the Offer;

(b) (i) the Commissioner of Competition (the "Commissioner") appointed under the Competition Act (Canada) (the "Act") shall have issued an advance ruling certificate under section 102 of the Act in respect of the transaction (the "Transaction") which will result from the Offer; (ii) the Commissioner shall have advised the Offeror that he does not intend at the current time to apply to the Competition Tribunal for an order under section 92 of the Act in respect of the Transaction; or (iii) the applicable waiting period under section 123 of the Act shall have expired without the Commissioner having notified the Offeror that he intends to apply to the Competition Tribunal for an order under section 92 of the Act in respect of the Transaction; and no proceedings shall have been taken or threatened under the merger provisions of Part VIII or under section 45 of the Act in respect of the Transaction;

(c) any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 shall have expired or been earlier terminated;

(d) any other requisite regulatory approvals or requirements (including without

limitation those of stock exchanges and securities regulatory authorities and under the Investment Canada Act,) shall have been obtained or satisfied on terms satisfactory to the Offeror;

(e) (i) no act, action, suit or proceeding shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada or elsewhere and (ii) no law, regulation or policy shall have been proposed, enacted, promulgated or applied:

a. to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or any of them pursuant to the Offer or the right of the Offeror to own or exercise full rights of ownership of the Common Shares or any of them, or

b. which if the Offer was consummated, would materially and adversely affect the Corporation and its Subsidiaries considered on a consolidated basis or the Offeror;

(f) there shall not exist any prohibition at law against the Offeror making the Offer or taking up and paying for 100% of the Common Shares under the Offer;

(g) there shall not have occurred any change after December 31, 1998 (other than a change in the market conditions or price of O.S.B.)(or any condition, event or development involving prospective change) in the business, assets, capitalization, financial condition, licences, permits, rights or privileges, whether contractual or otherwise, of the Corporation or any of its Subsidiaries considered as a whole which was not disclosed prior to the Offer in writing to the Offeror, and which, in the judgment of the Offeror, acting reasonably, is or would be materially adverse to the Corporation and its Subsidiaries considered as a whole;

(h) the Offeror shall have obtained assurances acceptable to it with respect to CAAFS held by the Corporation from such appropriate governmental authorities as it shall consider desirable to ensure that there will be no termination, default (other than a default resulting from a change of control), breach or other adverse effects on the Corporation or the Subsidiaries as a result of the transactions contemplated herein; and

(i) any representation or warranty of any of the Sellers and the Corporation in the

Lock-Up Agreement and this Agreement shall not have been, as of the date made, true and correct in all material respects, or the Corporation or any of the Sellers shall not have performed in all material respects any covenant or complied with any agreement to be performed by them under the Lock-Up Agreement and this Agreement.

The foregoing conditions will be for the sole benefit of the Offeror and may be waived by it in whole or in part at any time.

4. TERMS OF INSTALMENT NOTES. The Installment Notes shall be issued by a Canadian corporation pursuant to a note indenture and the principal terms thereof shall be:

(a) interest rate: annual interest rate equal to the rate secured by the Offeror on the indebtedness incurred to finance the Offer from its principal bankers payable quarterly calculated in arrears;

(b) instalments: 20% of the principal payable on the Effective Date and 20% on the first, second, third and fourth anniversary of the issuance of the notes (it being understood that, if the initial principal payment is duly paid or provided for on the Effective Date, the notes need represent only the principal payments due after the Effective Date);

(c) guarantee: unconditionally guaranteed by Offeror;

(d) security: unsecured, ranking PARI PASSU with indebtedness to ordinary creditors of the issuer;

(e) events of default: customary, including non-payment of instalment or interest and insolvency of issuer or guarantor;

(the "Instalment Notes").

5. HOLDCO PURCHASE. The Offer will provide that any holder of Common Shares which holds such Common Shares indirectly through a holding corporation (a "Holdco") may deposit all of the outstanding shares of its Holdco under the Offer. Any such deposit of shares of a Holdco as opposed to the deposit of the underlying Common Shares shall be subject to customary conditions, including (i) any required approval under applicable securities laws, (ii) the relevant seller providing representations, warranties and indemnities reasonably satisfactory to the Offeror, including as to the absence of any liabilities in the relevant Holdco and of any asset other than Common Shares, and (iii) each seller who deposits shares of a Holdco shall reimburse the Offeror for any additional costs that will

be incurred as a result of the acquisition of such Holdco.

SCHEDULE "B"

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

(a) ORGANIZATION, STANDING AND CORPORATE POWER. Each of Corporation and each of the Subsidiaries has been duly incorporated or formed under applicable law, is validly existing and has full corporate or legal power and authority to own its properties and conduct its businesses as currently owned and conducted. All of the outstanding shares and other ownership interests of the Subsidiaries are validly issued, fully paid and non-assessable and all such shares and other ownership interests owned directly or indirectly by Corporation are owned free and clear of all material liens, claims or encumbrances, and except as disclosed in paragraph (d) hereof, there are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any shares or other ownership interests in any of the Subsidiaries.

(b) AUTHORITY; NO CONFLICT. The Corporation has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Corporation and the consummation by Corporation of the transactions contemplated by this Agreement have been duly authorized by the board of directors of Corporation and no other corporate proceedings on the part of Corporation are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by Corporation and constitutes a valid and binding obligation of Corporation, enforceable against Corporation in accordance with its terms subject to the usual exceptions as to bankruptcy and the availability of equitable remedies. Except as disclosed in writing to the Offeror prior to the execution of this Agreement, the execution and delivery by Corporation of this Agreement and performance by it of its obligations hereunder and (subject to satisfying the conditions to the Offer specified in clauses 3(b), (c) and (d) of Schedule "A" with respect to subparagraph A(ii) below) the completion of the Offer and the transactions contemplated thereby, will not:

a. result in a violation or breach of, require any consent to be obtained under or give rise to any termination rights or other adverse consequences under any provision of:

b. its or any Subsidiary's certificate of incorporation, articles, by-laws or other charter documents, including any unanimous shareholder agreement or any other agreement or understanding with any party

holding an ownership interest in any Subsidiary;

(i) any law, regulation, order, judgment or decree; or

(ii) any material contract, agreement, license, franchise or permit to which the Corporation or any Subsidiary is bound or is subject or is the beneficiary;

c. except as disclosed to the Offeror prior to the execution of this Agreement, give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness to come due before its stated maturity or cause any available credit to cease to be available; or

d. result in the imposition of any hypothec, mortgage, lien, charge, encumbrance, or adverse claim upon any of its assets or the assets of any Subsidiary, or restrict, hinder, impair or limit the ability of Corporation or any Subsidiary to carry on the business of Corporation or any Subsidiary as and where it is now being carried on or as and where it may be carried on in the future.

(c) CONSENTS AND APPROVALS. No consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity which has not been received or made is required by or with respect to Corporation or any of its Subsidiaries in connection with the execution and delivery of this Agreement by Corporation or the consummation by Corporation of the transactions contemplated hereby, except for (i) satisfying the conditions of the Offer specified in clauses 3 (b), (c) and (d) of Schedule "A", (ii) any other consents, approvals, authorizations, filings or notices the failure to make or obtain which would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Corporation.

(d) CAPITAL STRUCTURE. As of July 30, 1999, there are 11,169,483 Class A Shares and 5,950,158 Class B Shares issued and outstanding. As at the date hereof, up to a maximum of 1,583,233 Class B Shares may be issued pursuant to outstanding stock option entitlements. 1,000,000 Class B Shares may be issued pursuant to an option granted to CIBC World Markets Inc. and 3,293,077 Class B Shares may be issued pursuant to the exercise of convertible debentures. Except as described in the immediately preceding sentence, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments obligating Corporation or any Subsidiary to issue or sell any shares of the capital of Corporation or any of its Subsidiaries or securities or obligations of any kind

convertible into or exchangeable for any shares of the capital of Corporation, any Subsidiary or any other person, nor, except as disclosed to the Offeror prior to the execution of this Agreement, is there outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of Corporation or any Subsidiary.

(e) QSC DOCUMENTS. The Corporation is a "reporting issuer" under the SECURITIES ACT (Quebec), as amended (the "SECURITIES ACT") and is not in default of any material requirements of any applicable securities laws, and no delisting, suspension of trading in or cease trading order with respect to the Common Shares or any other securities of the Corporation is pending or threatened.

(f) FINANCIAL STATEMENTS. As of their respective dates, the consolidated financial statements of Corporation included in any documents filed with the Quebec Securities Commission on a non-confidential basis (the "QSC Documents") complied as to form in all material respects with the regulations of the QSC with respect thereto, had been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may otherwise be indicated in the notes thereto) and fairly presented the consolidated financial position of Corporation and its Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited quarterly statements, to normal year-end audit adjustments).

(g) ABSENCE OF CERTAIN CHANGES OR EVENTS; NO UNDISCLOSED MATERIAL LIABILITIES. Except as disclosed to the Offeror prior to the execution of this Agreement and except as has been publicly disclosed in any document filed with the Quebec Securities Commission (the "QSC"), since December 31, 1998 (i) the Corporation and the Subsidiaries have conducted their respective businesses only in the ordinary course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to the Corporation or any Subsidiary has been incurred, and (iii) there has not been any material adverse change in the financial conditions, results of operations or businesses of the Corporation or any Subsidiary.

(h) REAL PROPERTY; OTHER ASSETS. Except as disclosed to the Offeror prior to the execution of this Agreement, the Corporation and its Subsidiaries have good and valid title to the real property interests and to each other asset reflected in the latest balance sheet of Corporation included in the Filed QSC Documents (other than as disclosed in the Filed QSC Documents, or any such other asset disposed of or consumed in the ordinary course of

business) free and clear of any and all hypothecs, mortgages, liens, charges, encumbrances and adverse claims except (A) those reflected or reserved against in the latest balance sheet of Corporation included in the Filed QSC Documents, (B) taxes not in default and payable without penalty and interest, and (C) other Liens that individually or in the aggregate would not have a material adverse effect on Corporation (collectively, "Permitted Liens").

(j) YEAR 2000 COMPLIANCE.

(i) Corporation presently expects that all reprogramming, remediation and testing of Information Systems and Equipment (as defined below) that is required to make it in all material respects Year 2000 Compliant will be completed no later than December 31, 1999. Except as otherwise disclosed in the Filed QSC Documents, the cost of all such reprogramming, remediation and testing, together with the reasonably foreseeable consequences of any reasonably foreseeable failure of such Information Systems and Equipment to be or timely become Year 2000 Compliant will not have, individually or in the aggregate, a material adverse effect on Corporation.

(ii) (A) As used in respect of Information Systems and Equipment, "Year 2000 Compliant" means that such Information Systems and Equipment will not cease to properly function, produce erroneous results or otherwise experience diminished performance or functionality when presented with or when calculating, comparing, sequencing or otherwise processing date data before, during and after the year 2000 and (B) "Information Systems and Equipment" means all computer hardware, firmware, software and information processing systems and all equipment containing embedded microchips that is used by Corporation or any of its Subsidiaries in the conduct of their respective business.

(j) INTELLECTUAL PROPERTY. Other than as disclosed in writing to the Offeror all of the material patents, registered trademarks and service marks, trade names and licenses owned or used by the Corporation at the date of this Agreement are in good standing, valid and adequate to permit the Corporation and its Subsidiaries to conduct its business as presently conducted.

(k) MATERIAL CONTRACTS. There have been made available to Offeror and its representatives true, correct and complete copies of all of the material contracts to which Corporation or any of its Subsidiaries is a party or by which any of them is bound (collectively, the "Material Contracts"). None of Corporation or its Subsidiaries or, to the knowledge of Corporation, any other party, is in material breach or default under any Material Contract.

(l) LITIGATION, ETC. As of the date hereof, except as disclosed in the Filed QSC Documents or disclosed to the Offeror prior to the execution of this Agreement, (i) there is no suit, claim, action, proceeding or investigation pending or, to the knowledge of Corporation, threatened against Corporation or any of its Subsidiaries before any court or other Governmental Entity, and (ii) neither Corporation nor any of its Subsidiaries is subject to any outstanding order, writ, judgment, injunction, decree or arbitration order or award that, in any such case described in clauses (i) and (ii), has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Corporation or which could prevent or materially delay the consummation of the transaction contemplated herein. As of the date hereof, there are no suits, claims, actions, proceedings or investigations pending or, to the knowledge of Corporation, threatened, seeking to prevent, hinder, modify or challenge the transactions contemplated by this Agreement.

(m) COMPLIANCE WITH APPLICABLE LAW. Except as disclosed in the Filed QSC Documents or disclosed to the Offeror prior to the execution of this Agreement, Corporation and its Subsidiaries are in material compliance with all applicable statutes, law, ordinances, rules, certificates, orders, grants, regulations and other authorization of any Governmental Entity, except for non-compliance which would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Corporation.

(n) ENVIRONMENTAL LAWS.

a. Definitions. For purposes of this Agreement, the following definitions shall apply:

(i) The term "ENVIRONMENT" shall mean all components of the earth, including, without limitation, air (and all layers of the atmosphere), land (and all surface and subsurface soil, underground spaces and cavities and all land submerged under water) and water (and all surface and underground water), organic and inorganic matter and living organisms,

and the interacting natural systems that include components referred to above in this definition of "ENVIRONMENT";

(iii) The terms "ENVIRONMENTAL LAWS" shall mean any and all applicable federal, provincial, municipal or local statutes, legislations, codes, ordinances, decrees, rules, regulations, judicial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies and guidelines having force of law, (hereafter "LAWS") pertaining to the Environment, health and safety matters or conditions, Hazardous Substances, pollution or protection of the Environment, including, without limitation, Laws relating to: (i) on site or off-site contamination; (ii) occupational health and safety; (iii) chemical substances or products; (iv) Release of pollutants, contaminants, chemicals or other industrial, toxic or radioactive substances or Hazardous Substances into the Environment; (v) the manufacture, processing, distribution, use, treatment, storage, transport, packaging, labelling, sale, recycling, disposal, destruction, incineration, burial, advertising, display or handling of Hazardous Substances; and (vi) any preventive measures, Remedial Actions and notifications in connection with the foregoing;

(iv) The terms "HAZARDOUS SUBSTANCE" shall mean any substance, whether waste, liquid, gaseous or solid matter, fuel, micro-organism, ray, odour, radiation, energy, vector, plasma and organic or inorganic matter, which is or is deemed to be, alone or in any combination, hazardous, waste, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws, whether or not such substance is defined as hazardous under Environmental Laws;

(v) The term "RELEASE" shall mean to release, spill, leak, discharge, dispose, pump, pour, emit, empty, inject, leach, dump or allow to escape;

(vi) The terms "REMEDIAL ACTION" shall mean any compelled action that is necessary to: (i) clean up, remove, treat or in any other way deal with Hazardous Substances in the Environment; (ii) prevent any Release of Hazardous Substances where such Release would violate any Environmental Laws or would endanger or threaten to

endanger public health or welfare or the Environment; or (iii) perform remedial studies, investigations, restoration, and post-remedial studies, investigations and monitoring on, about or in connection with the Immoveables or any immoveable or real property owned, used or leased by the Offeror.

b. Except as previously disclosed to the Offeror,

(i) Each of the Corporation and its Subsidiaries, has been, and is being operated, and their assets are being used in material compliance with all Environmental Laws, and each of the Corporation and its Subsidiaries holds and their business has been conducted in material compliance with all environmental permits, certificates of authorization, registrations and other authorizations (collectively, "ENVIRONMENTAL PERMITS") required under Environmental Laws, and all such Environmental Permits are in full force and effect, except where failure to hold and maintain in full force and effect any such Environmental Permits would not have a material adverse effect on the Corporation, any of its Subsidiaries or their business;

(ii) Each of the Corporation and its Subsidiaries has not caused or permitted to cause, and has no knowledge of any material Release of Hazardous Substances at, on or under any of the real estates owned or leased by any of the Corporation or its Subsidiaries which would require Remedial Action, or from any real estate owned or operated by third parties, but with respect to which any of the Corporation or any of its Subsidiaries is alleged to have material liability and which could have a material adverse effect on the Corporation, any of its Subsidiaries or their business;

(iii) No Hazardous Substances have been transported or arranged for the transportation of any such Hazardous Substances to any location which is not listed and duly authorized pursuant to Environmental Laws, and which would lead to material claims against any of the Corporation or its Subsidiaries for Remedial Action.

(o) TAXES. Except as previously disclosed to the Offeror:

(i) Except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Corporation, each of Corporation and each subsidiary of Corporation (and any affiliated or unitary group of which any such person was a member) has (A) timely filed all federal, provincial, local and foreign returns, declarations, reports, estimates, information returns and statements ("Returns") required to be filed by or for it in respect of any Taxes (as hereinafter defined) and has caused such Returns as so filed to be true, correct and complete, (B) established reserves that are reflected in Corporation's most recent financial statements included in the Filed QSC Documents and that as so reflected are adequate for the payment of all Taxes not yet due and payable with respect to the results of operations of Corporation and its Subsidiaries through the date hereof, and (C) timely withheld and paid over to the proper taxing authorities all Taxes and other amounts required to be so withheld and paid over. Each of Corporation and each subsidiary of Corporation has timely paid all Taxes that are shown as being due on the Returns referred to in the immediately preceding sentence. There have been made available to Offeror and its representatives true, correct and complete copies of all Returns filed by or for Corporation and each subsidiary of Corporation since 1994 in respect of any Taxes.

(ii) As of the date hereof, (A) there has been no taxable period since 1992 for which a Return of Corporation or any of its Subsidiaries has been or is being examined by the Minister of Revenue of Quebec or any other federal, provincial, local or foreign taxing authority, and (B) except for alleged deficiencies which have been finally and irrevocably resolved, Corporation has not received formal or informal notification that any deficiency for any Taxes, the amount of which could reasonably be expected to have, individually or in the aggregate, a material adverse effect on Corporation, has been or will be proposed, asserted or assessed against Corporation or any of its Subsidiaries by any federal, provincial, local or foreign taxing authority or court with respect to any period; (C) No waiver or extension of any statute of limitations in effect with respect to Taxes or Returns of the Corporation or any subsidiary.

For purposes of this Agreement, "Taxes" shall mean all federal, provincial, local, foreign income, property, sales, excise, goods and services, employment, payroll, franchise, withholding and other taxes, tariffs, charges, fees, levies, imposts, duties, licenses, payroll or employee withholding taxes or other assessments of every kind and description, together with any interest and any penalties, additions to tax or additional amounts imposed by any federal, state, local or foreign taxing authority.

(r) EMPLOYEE PLANS. "Employee Plans" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former employees, officers or directors of the Corporation maintained, sponsored or funded by the Corporation, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered.

a. The Corporation has made available to the Offeror true, correct and complete copies of all the Employee Plans as amended as of the date hereof, together with all summary plan descriptions and all material correspondence with all relevant persons.

b. The Corporation may unilaterally amend or terminate, in whole or in part, each Employee Plan, each subject only to approvals required by laws and, with respect to amendment or termination, the collective agreements of the Corporation.

c. All contributions or premiums required to be paid by the Corporation under the terms of each Employee Plan or by laws have been made in a timely fashion in accordance with laws and the terms of the Employee Plans. The Corporation does not have any liability (other than liabilities accruing after the date hereof) with respect to any of the Employee Plans. Contributions or premiums have been paid by the Corporation when due.

d. No commitments to establish, improve or otherwise amend any Employee Plan have been made except as required by applicable laws or as disclosed prior to the execution of this Agreement to the Offeror.

e. None of the Employee Plans is a pension plan.

f. All employee data necessary to administer each Employee Plan has been made available by the Corporation to the Offeror and is true and correct as of the date of this Agreement and the Corporation will notify the Offeror of any changes thereto.

g. None of the Employee Plans provide benefits to retired employees or to the beneficiaries or dependents of retired employees.

(q) LABOUR MATTERS. Other than as disclosed to the Offeror prior to the execution of this Agreement, or except as set forth in the Information Circular and Proxy Statement of the Corporation dated February 23, 1999, neither the Corporation nor any Subsidiary is a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment agreement with, any person.

(r) BROKERS. No broker, investment banker, financial advisor or other person, other than CIBC World Markets Inc., the fees and expenses of which will be paid by Corporation, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Corporation.

(s) WRITTEN OPINION OF FINANCIAL ADVISOR. Corporation has received the opinion of CIBC World Markets Inc. on August 2, 1999 (a true, correct and complete copy of which will be delivered to Offeror by Corporation), to the effect that, based upon and subject to the matters set forth therein and as of the date thereof, the Price of the Offer to be received by the holders of Common Shares in the Offer, is fair, from a financial point of view, to such holders and such opinion has not been withdrawn or modified.

(t) BOOKS AND RECORDs. The corporate records and minutes books of Corporation and its Subsidiaries have been maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects.

SCHEDULE "C"

	CLASS A SHARES	CLASS B SHARES	OPTIONS	TOTAL
Placements Al-Vi Inc.	3,320,663	23,402		3,344,065
2330-3076 QBC. Inc.	2,653,486			2,653,486
Jean-Jacques Cossette	285,464	2,200	200,000	487,664
2954-7635 Quebec Inc.	173,650	233,100		406,750
Viviane Cossette	8,204		200,000	208,204
Fernand Cossette	658,825	3,002	200,000	861,827
9008-6760 Quebec Inc.	385,064	2		385,066
Marcel Cossette	235,245			235,245
Andre J. Lascelle	192,441	14,720	200,000	407,161
Pierre Moreau	200,000	500	150,000	350,500
2700638 Canada Inc.	56,350			56,350
Norman Farrell	200,020		150,000	350,020
Lock-up Group	8,369,412	276,926	1,100,000	9,746,338

Exhibit 10.2

AMENDED AND RESTATED LOCK-UP AGREEMENT

LOUISIANA-PACIFIC CORPORATION

August 2, 1999

CONFIDENTIAL

To the parties identified in Schedule "B" hereof
(the "Sellers")

c/o: Jean-Jacques Cossette
1200 1re Avenue
Val d'Or, Quebec
J9P 1Z5

Dear Sirs:

This letter agreement (the "Agreement") sets out the terms and conditions upon which Louisiana-Pacific Corporation (the "Offeror") will, either directly or through a wholly-owned subsidiary, make an offer on the terms summarized in Schedule "A" to this Agreement (the "Offer") for all of the issued and outstanding Class A Multiple Voting Shares (the "Class A Shares") and all of the issued and outstanding Class B Subordinate Voting Shares (the "Class B Shares, and collectively with the Class A shares, the "Common Shares") of Le Groupe Forex Inc. (the "Corporation") at the price per Common Share specified in Schedule "A". This Agreement amends and restates the Lock-Up Agreement dated June 25, 1999 as amended on July 21, 1999 between the Offeror and the Sellers.

This Agreement also sets out the terms and conditions of the agreement by each of the Sellers to deposit irrevocably and unconditionally under the Offer that number of Common Shares set forth opposite their respective names on Schedule "B" hereof, including that number of Common Shares to be issued pursuant to the exercise of the options referred to therein (in the aggregate, the "Securities", and, individually, "its portion of the Securities"), and sets out the obligations and commitments of the Sellers in connection therewith.

1. THE OFFER

1.1 TIMING. The Offeror agrees to make the Offer for 100% of the Common Shares as soon as possible but in any event not more than ten (10) calendar days after the date of this Agreement provided that, if the Corporation has given to the Offeror a notice contemplated by Section 3.2(j) of the Support Agreement (as defined

hereunder) prior to the making of the Offer, such ten (10) day period may, at the option of the Offeror, be extended by ten (10) days.

1.2 CONDITIONS PRECEDENT. Notwithstanding Section 1.1, the Offeror shall not be required to make the Offer (and shall, if it determines not to make the Offer, without prejudice to any other rights, terminate this Agreement by written notice to the Sellers and the Corporation) if:

(a) prior to the making of the Offer, (i) any act, action, suit or proceeding shall have been taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada or elsewhere, or (ii) any law, regulation or policy shall have been proposed, enacted, promulgated or applied:

a. to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or any of them pursuant to the Offer or the right of the Offeror to own or exercise full rights of ownership of the Common Shares or any of them; or

b. which, if the Offer was consummated, would, in the judgment of the Offeror, acting reasonably, materially and adversely affect the Corporation and each of Forex OSB Inc. and Forex Chambord Inc. (the "Subsidiaries") considered as a whole;

(b) at the time the Offeror proposes to make the Offer, there exists any prohibition at law (other than those referred to in paragraphs 3(b), (c) or (d) of Schedule "A" hereto) against the Offeror making the Offer or taking up and paying for 100% of the Common Shares under the Offer;

(c) there shall have occurred (or there shall have been generally disclosed, if previously undisclosed generally) any change (other than a change in the market conditions or price of O.S.B.)(or any condition, event or development involving a prospective change) in the business, assets, capitalization, financial condition, licenses, permits, rights or privileges, whether contractual or otherwise, of the Corporation or any of its Subsidiaries which, in the judgment of the Offeror, acting reasonably, is or would be materially adverse to the Corporation and its Subsidiaries considered as a whole;

(d) the Offeror shall not have obtained assurances acceptable to it with respect to

CAAFS held by the Corporation or such appropriate governmental authorities as it shall consider desirable to ensure that there will be no termination, default (other than a default resulting from a change of control), breach or other adverse effects on the Corporation or the Subsidiaries as a result of the transactions contemplated herein;

(e) the agreement entered into on the date hereof between the Corporation and the Offeror whereby the Corporation agreed to support the Offer, is not in full force and effect (the "Support Agreement");

(f) any representation or warranty of any of the Sellers in this Agreement or any representation or warranty of the Corporation in the Support Agreement shall not have been, as of the date made, true and correct in all material respects, or the Corporation or any of the Sellers shall not have respectively performed in all material respects any covenant or complied with any agreement to be performed by them or it under this Agreement and the Support Agreement; or

(g) all non-unionized individuals working for the Corporation as a result of services agreement entered into between the Corporation and companies controlled by insiders of the Corporation shall not have agreed to become employees of the Corporation before the Offeror takes up and pays for the Common Shares (the "Effective Date").

The foregoing conditions are for the sole benefit of the Offeror and may be waived by the Offeror in whole or in part at any time and shall be deemed to have been waived by it by the making of the Offer.

2. Acceptance

2.1 DEPOSIT. Subject to the terms and conditions hereof, each of the Sellers hereby irrevocably agrees to deposit its portion of the Securities, together with a completed and executed letter of transmittal, under the Offer as soon as practicable after the Offer has been made and, in any event, on or before the third business day after the date that the Offer is made, except that all of the Common Shares issuable upon the exercise of the options listed in Schedule B may be deposited no later than twenty-four (24) hours prior to the expiry of the Offer.

2.2 NON-WITHDRAWAL. Each of the Sellers hereby irrevocably agrees not to withdraw or take any action to withdraw any of its portion of the Securities following their deposit under the Offer, notwithstanding any statutory rights or other rights under the terms of the Offer or otherwise which it might have, unless this Agreement is terminated in accordance with its terms prior to the taking up of the Securities

under the Offer;

3. Representations and Warranties

3.1 REPRESENTATIONS AND WARRANTIES OF THE SELLERS. Each of the Sellers hereby represents and warrants that:

(a) it is a corporation duly incorporated or created and validly existing under the laws of its jurisdiction of incorporation or creation, if applicable; it has the corporate or other power, if applicable, and capacity and has received all requisite approvals, if applicable, to enter into this Agreement and to complete the sale of its portion of the Securities pursuant to the Offer; this Agreement has been duly executed and delivered by the Sellers and is a valid and binding agreement enforceable by the Offeror against it in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;

(b) it is and, upon the deposit of its portion of the Securities under the Offer, will be the sole legal and beneficial owner of such Securities and will have the exclusive right to vote and dispose thereof as provided in this Agreement and it is not a party to, bound or affected by or subject to, any provision of its constating documents if applicable, or any statute, regulation, judgment, order, decree or law which would be violated, contravened, breached by, or under which default would occur as a result of, the execution and delivery of this Agreement;

(c) the portion of the Securities to be acquired by the Offeror from it pursuant to the Offer will be acquired by the Offeror with good and marketable title, free and clear of any and all hypothecs, mortgages, liens, charges, proxies, voting agreements, encumbrances and adverse claims, save for the charges which will be released on or before the Effective Date;

(d) other than as disclosed to the Offeror prior to the execution of this Agreement, there does not exist any agreement, understanding or commitment giving rise to any material obligations, financial or otherwise, on the part of the Corporation or any of its Subsidiaries to such Seller or any of its affiliates (or any associates or insiders of any of the foregoing);

(e) other than as disclosed to the Offeror prior to the execution of this Agreement, the execution and delivery of this Agreement and the fulfillment of the terms hereof and thereof by it do not and will not result in a breach of (a) its constating documents, if applicable, or (b) any agreement or instrument to which it is a party or by which it is contractually bound which would have a material adverse effect upon it; and

(f) to the best of their knowledge, the Corporation has not omitted to disclose to the Offeror any information concerning the Corporation, its business, assets, operations, capital, affairs, financial conditions and prospects that a purchaser would consider material in circumstances similar to the transaction contemplated herein.

3.2 REPRESENTATIONS AND WARRANTIES OF THE OFFEROR. The Offeror hereby represents and warrants that:

(a) the Offeror is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(b) the Offeror has the financial resources and is financially capable of completing the Offer; and

(c) the Offeror has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; the execution and delivery of this Agreement by Offeror and the consummation by the Offeror of the transactions contemplated by this Agreement have been duly authorized by the board of directors of the Offeror and no other corporate proceedings on the part of the Offeror are necessary to authorize this Agreement or the transactions contemplated hereby and this Agreement has been duly executed and delivered by Offeror and constitutes a valid and binding agreement of the Offeror, enforceable against the Offeror in accordance with its terms subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

4. Covenants of the Sellers

4.1 GENERAL. Each of the Sellers hereby covenants that until the Offeror has taken up and paid for the Common Shares under the Offer or abandoned the Offer or the terms of this Agreement have been terminated by the Sellers pursuant to Section 6.1, it will:

(a) not take any action of any kind which may reduce the likelihood of success of or delay the completion of the Offer, including but not limited to any action that the Corporation would be prohibited from taking under the first sentence of Section 3.2 (f) of the Support Agreement without regard to the proviso thereof, and will not participate in any negotiations regarding, or otherwise cooperate in any way with or assist or participate in:

(i) the direct or indirect acquisition or disposition of all or any Common Shares or any other securities of the Corporation or its

Subsidiaries (except as expressly provided in this Agreement); or

(ii) except as expressly permitted by this Agreement or as previously approved in writing by the Offeror, any amalgamation, merger, sale of any material part of the Corporation's or its Subsidiaries' assets, take-over bid, plan of arrangement, reorganization, recapitalization, liquidation or winding-up of, or other business combination or similar transaction involving the Corporation or any of its Subsidiaries;

(b) notify the Offeror forthwith upon becoming aware of any Acquisition Proposal (as defined in Section 3.2(f) of the Support Agreement) and inform the Offeror of all information (including the identity of any prospective offeror) known to the Seller at that time regarding such proposal;

(c) cause the voting rights attaching to its portion of the Securities to be exercised to oppose any proposed action by: (i) the Corporation, its shareholders or others which might reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Offer, or (ii) the Corporation or its shareholders to materially change the business, assets, operations, capital, affairs, financial conditions, licenses, permits, rights or privileges, whether contractual or otherwise, or prospects of the Corporation and its Subsidiaries taken as a whole which in the judgment of the Offeror, acting reasonably, could individually, or in the aggregate, adversely affect the value of the Common Shares to the Offeror, provided that nothing in this Agreement shall require the Sellers to request any of their directors or officers who may be a director of the Corporation or any Sellers who are themselves a director to take any action or to refrain from taking any action as a director of the Corporation or to act otherwise than in accordance with his or her fiduciary duties as a director of the Corporation;

(d) use its reasonable commercial efforts to assist the Offeror to successfully complete the acquisition of Common Shares, including diligently pursuing all requisite regulatory approvals and co-operating with the Offeror in making all requisite regulatory filings and giving evidence in relation thereto;

(e) promptly advise the Offeror orally and in writing of any material change (other than a change in the market conditions or price of O.S.B. known to the Seller in the condition (financial or otherwise), properties, assets, liabilities, operations, business or prospects of the Corporation or any of its Subsidiaries;

(f) promptly notify the Offeror upon any representation or warranty of it or the Corporation contained in this Agreement becoming untrue or incorrect in any material respect during the period commencing on the date hereof and expiring at the time of expiry of the Offer, and for the purposes of this provision, each representation and warranty shall be deemed to be given at and as of all times during such period (irrespective of any language which suggests that it is only being given as at the date hereof);

(g) cause its nominees on the board of directors of the Corporation and its Subsidiaries, and use its reasonable best efforts to cause all members of the board of directors of the Corporation and its Subsidiaries, to resign at the time and in the manner requested by the Offeror, after the Offeror takes up and pays for the Securities; and

(h) use its reasonable best efforts to cause the Corporation to comply with its covenants contained in the Support Agreement.

4.2 OPTIONS. Each of the Sellers hereby covenants to exercise all options set out in Schedule B next to his name, if any, at least twenty-four (24) hours before the expiry of the Offer or to have such options cancelled.

4.3 AMENDMENT TO LOCK-UP AGREEMENT. In the event that the Corporation enters into an amendment to the Support Agreement in accordance with section 3.2(k) thereof, each of the Sellers hereby covenants to enter into an amendment to this Agreement that shall reflect the terms of such amended Support Agreement.

5. Covenants of the Offeror

5.1 OFFEROR. Subject to the terms and conditions hereof, the Offeror hereby covenants to:

(a) use its reasonable commercial efforts to successfully complete the Offer, including diligently pursuing all requisite regulatory approvals;

(b) co-operate with the Sellers and the Corporation in making all requisite regulatory filings, and giving evidence in relation thereto, and to provide copies of all written documents and submissions and responses with respect thereto in connection with regulatory proceedings;

(c) provide copies of drafts of the Offer to Mr. Jean-Jacques Cossette on behalf of the Sellers in order to provide them with an opportunity to comment; and

(d) use its reasonable commercial efforts to file with the Director of Investigation and Research appointed under the COMPETITION ACT (Canada) the notice

required under Section 123 of said act prior to the expiry of the delay referred to in Section 1.1 hereof, notwithstanding the fact that the Offer may have been made prior thereto.

5.2 CONFIDENTIALITY AGREEMENT. The Offeror hereby covenants and agrees to be bound by the terms of the confidentiality agreement dated June 18, 1999 between the Offeror and the Corporation (the "Confidentiality Agreement") throughout the term of this Agreement and in the event that this Agreement is terminated for any reason whatsoever. Pursuant to the Support Agreement, the Corporation has confirmed and agreed that the Confidentiality Agreement will be null and void in the event that the Offeror takes up and pays for Common Shares (including the Securities) under the Offer. Furthermore, in such circumstances, each of the Sellers agrees to hold all Information (as defined below) confidential and not to use it in any way detrimental to the interests of the Offeror, the Corporation or its Subsidiaries, except as required by law. For the purposes hereof, "Information" has the meaning ascribed to such expression in the Confidentiality Agreement.

6. Termination

6.1 TERMINATION BY SELLERS. All of the Sellers, when not in default in performance of their respective material obligations under this Agreement, may, without prejudice to any other rights, terminate their obligations under this Agreement by notice to the Offeror if:

(a) the Offer has not been made within the time period provided in Section 1.1;

(b) the Offer does not conform in all material respects with the description of the Offer in Schedule "A";

(c) the Offeror has not taken up and paid for the Securities on or prior to December 31, 1999;

(d) Common Shares deposited under the Offer (including the Securities) have not, for any reason whatsoever (other than that all the terms and conditions of the Offer have not been complied with or waived by the Offeror) been taken up and paid for on or before the expiry of ten days after the expiry of the Offer (as it may have been extended); or

(e) A Break Fee Event described in clause (x) of Section 5.1 of the Support Agreement shall have occurred, provided that no termination under this paragraph shall be effective unless and until the Corporation shall have paid the Offeror by bank draft or wire transfer the sum of $28 million in immediately available funds (the "Break Fee").

6.2 TERMINATION BY OFFEROR. The Offeror, when not in default in performance of its material obligations under this Agreement, may, without prejudice to any other rights, terminate its obligations under this Agreement by notice to the Sellers and if:

(a) the Offeror has not taken up and paid for the Securities on or prior to December 31, 1999;

(b) a Break Fee Event shall have occurred;

(c) as a result of the failure of any of the conditions set forth in Schedule "A", the Offer shall have expired or have been terminated in accordance with its terms without the Offeror having purchased any Common Share pursuant to the Offer; or

(d) the Sellers or the Corporation shall have breached in any material respect any of their respective representations, warranties, covenants or other agreements contained in this Agreement or the Support Agreement.

6.3 EFFECT OF TERMINATION. In the event of the termination of this Agreement pursuant to Section 6.1 or 6.2, this Agreement (except for Sections 6.1((e)), 6.3 and 7) shall forthwith become void and cease to have any force or effect without any liability on the part of any party hereto or any of its affiliates; provided however that nothing in this Section shall relieve any party to this Agreement of liability for any breach of this Agreement.

7. General

7.1 DISCLOSURE. Except as required by applicable laws or regulations, or as required by any competent governmental, judicial or other authority, or in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement or the Support Agreement without the approval of the others, which shall not be unreasonably withheld. Moreover, the parties agree to consult with each other prior to issuing each public announcement or statement with respect to this Agreement or the Support Agreement.

7.2 ASSIGNMENT. The Offeror may assign all or any part of its rights and/or obligations under this Agreement to a wholly-owned subsidiary of the Offeror, but, if such assignment takes place, the Offeror shall continue to be liable to the Sellers for any default in performance by the assignee. This Agreement shall not otherwise be assignable by any party without the consent of the others.

7.3 GOVERNING LAW. This Agreement shall be governed by and construed in accordance

with the laws of the Province of Quebec and of Canada applicable therein (without regard to conflict of laws principles).

7.4 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties made by the Sellers and by the Offeror herein shall survive for a period of one year from the date hereof except that any representations which prove to be incorrect or untrue as a result of tax matters shall survive only as to such tax matters until thirty (30) days following the last applicable limitation period under applicable tax laws and except in the case of the representations and warranties contained in paragraphs 3.1((A)) THROUGH ((E)), INCLUSIVE, which shall survive indefinitely, and in the case of fraud. No investigations made by or on behalf of the Offeror or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by any Seller herein or pursuant hereto.

7.5 AMENDMENTS. This Agreement may not be amended except by written agreement signed by all of the parties to this Agreement.

7.6 SPECIFIC PERFORMANCE AND OTHER EQUITABLE RIGHTS. Each of the parties recognizes and acknowledges that this Agreement is an integral part of the Offer, that the Offeror would not contemplate causing the Offer to be made and the Sellers would not agree to the deposit of the Securities under the Offer unless this Agreement was executed, and that a breach by any party of any covenants or other commitments contained in this Agreement will cause the other parties to sustain injury for which they would not have an adequate remedy at law for money damages. Therefore, each of the parties agrees that in the event of any such breach, the aggrieved party or parties shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it or they may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

7.7 EXPENSES. Each of the Sellers shall pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred, and none of such costs and expenses shall be borne by the Corporation or its Subsidiaries. The Offeror shall pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred. The Sellers shall bear all costs and expenses of obtaining the necessary consents, and shall indemnify and hold harmless the Offeror, the Corporation and its Subsidiaries against all

claims in respect thereof.

7.8 BUSINESS DAY. A business day for the purpose of this Agreement shall mean any day on which chartered banks in the City of Montreal are open for business.

7.9 COUNTERPARTS. This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of a telecopier transmission.

7.10 SCHEDULE. Schedules "A" and "B" hereto shall for all purposes form an integral part of this Agreement.

7.11 ENTIRE AGREEMENT. This Agreement, together with the Confidentiality Agreement (as defined herein) and any document referred to herein, constitutes the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement.

7.12 TIME. Time shall be of the essence in this Agreement.

7.13 CURRENCY. All sums of money referred to in this Agreement shall mean Canadian funds.

7.14 NOTICES. Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier, in the case of:

(a) the Offeror, addressed as follows:

Louisiana-Pacific Corporation
111 South West Fifth
Portland, Oregon
USA 97204

Attention: The Office of the General Counsel

Telecopier No. (503) 796-0105

with a copy to:

Stikeman, Elliott
Suite 4000
1155 West Rene-Levesque Blvd.
Montreal, Quebec H3B 3V3

Attention: Pierre A. Raymond

Telecopier No.: (514) 397-3222

(b) in the case of the Sellers, addressed as follows:

Mr. Jean-Jacques Cossette
1200, 1ere Avenue
Val d'Or, Quebec
J9P 1Z5

with a copy to:

Martineau Walker
Tour de la Bourse
800, Place Victoria, Suite 3400
Montreal, Quebec
H4Z 1E9

Attention: Maurice Forget

Telecopier No.: (514) 397-7600

or to such other address as the relevant party may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof.

8. Special Provisions

8.1 JOINT CONDUCT. Notwithstanding any other provision hereof, the Offeror shall upon its written election have no obligations hereunder to any of the Sellers if any Seller fails to comply with the terms hereof or with any of its covenants or agreements hereunder or if any of the representations or warranties of any Seller prove to be incorrect or untrue in any material respect. Furthermore, if any Seller shall terminate its obligations under this Agreement as provided herein, any obligations of the Offeror may be terminated with respect to all Sellers at the Offeror's written election.

8.2 COMMON SHARES. References to "Common Shares" include any shares into which the foregoing may be reclassified, sub-divided, consolidated or converted and any rights and benefits arising therefrom including any extraordinary distributions of

securities which may be declared in respect of the Common Shares.

8.3 WAIVERS AND RELEASES. Following the taking up of Securities under the Offer, the Sellers hereby agree that they shall be deemed to have waived all pre-emptive rights or other rights to acquire securities of the Corporation or any subsidiary, and to have agreed to release the Corporation and its Subsidiaries from all claims, obligations or liabilities whatsoever.

If the terms and conditions of this letter are acceptable to you, please so indicate by executing and returning the enclosed copy hereof to the undersigned prior to 8:00 p.m. (Montreal time) on August 2, 1999, failing which this offer shall be null and void.

Yours truly,

Louisiana-Pacific Corporation

By: /s/ Gary Wilkerson

Gary Wilkerson

Agreed and accepted this 2nd day of August 1999

PLACEMENTS AL-VI INC.

By: /s/ J. J. Cossette

2330-3076 QBC. INC.

By: /s/ J. J. Cossette

2954-7635 QUEBEC INC.

By: /s/ J. J. Cossette

By: /s/ J. J. Cossette

Jean-Jacques Cossette

By: /s/ Viviane Cossette

Viviane Cossette

By: /s/ Fernand Cossette

Fernand Cossette

By: /s/ Andre J. Lascelle

Andre J. Lascelle

2700638 CANADA INC.

By: /s/ Pierre Moreau

By: /s/ Pierre Moreau

Pierre Moreau

By: /s/ Norman Farrell

Norman Farrell

9008-6760 QUEBEC INC.

By: /s/ Marcel Cossette

Marcel Cossette

By: /s/ Marcel Cossette

Marcel Cossette

SCHEDULE "A"

TERMS OF THE OFFER

1. GENERAL TERMS. The Offer shall be made by a circular bid prepared in compliance with the Securities Act (Quebec) and other applicable provincial securities laws. The Offer shall be open for twenty-one (21) days or such longer period as may be required to satisfy all of the conditions set forth in paragraph 3 below, provided that in no event shall the Offer be required to be open after December 31, 1999.

2. PRICE OF THE OFFER. The Offer shall be made for a consideration of not less than Cdn. $31.00 per Common Share payable, at the option of the holder, in cash, by the delivery of Instalment Notes (which shall be deemed for purposes of the Offer to have a value equal to the original principal amount thereof) or a combination thereof.

3. CONDITIONS OF THE OFFER. The Offer shall not be subject to any conditions other than those substantially described as follows:

(a) not less than 66 2/3% of the outstanding Class A Multiple Voting Shares and not less than 66-2/3% of the outstanding Class B Subordinate Voting Shares (on a fully-diluted basis, assuming that all rights to acquire Common Shares were to be exercised in full) are tendered under the Offer and not withdrawn at the expiration of the Offer;

(b) (i) the Commissioner of Competition (the "Commissioner") appointed under the Competition Act (Canada) (the "Act") shall have issued an advance ruling certificate under section 102 of the Act in respect of the transaction (the "Transaction") which will result from the Offer; (ii) the Commissioner shall have advised the Offeror that he does not intend at the current time to apply to the Competition Tribunal for an order under section 92 of the Act in respect of the Transaction; or (iii) the applicable waiting period under section 123 of the Act shall have expired without the Commissioner having notified the Offeror that he intends to apply to the Competition Tribunal for an order under section 92 of the Act in respect of the Transaction; and no proceedings shall have been taken or threatened under the merger provisions of Part VIII or under section 45 of the Act in respect of the Transaction;

(c) any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 shall have expired or been earlier terminated;

(d) any other requisite regulatory approvals or requirements (including without

limitation those of stock exchanges and securities regulatory authorities and under the Investment Canada Act,) shall have been obtained or satisfied on terms satisfactory to the Offeror;

(e) (i) no act, action, suit or proceeding shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada or elsewhere and (ii) no law, regulation or policy shall have been proposed, enacted, promulgated or applied:

a. to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or any of them pursuant to the Offer or the right of the Offeror to own or exercise full rights of ownership of the Common Shares or any of them, or

b. which if the Offer was consummated, would materially and adversely affect the Corporation and its Subsidiaries considered on a consolidated basis or the Offeror;

(f) there shall not exist any prohibition at law against the Offeror making the Offer or taking up and paying for 100% of the Common Shares under the Offer;

(g) there shall not have occurred any change after December 31, 1998 (other than a change in the market conditions or price of O.S.B.)(or any condition, event or development involving a prospective change) in the business, assets, capitalization, financial condition, licences, permits, rights or privileges, whether contractual or otherwise, of the Corporation or any of its Subsidiaries considered as a whole which was not disclosed prior to the Offer in writing to the Offeror, and which, in the judgment of the Offeror, acting reasonably, is or would be materially adverse to the Corporation and its Subsidiaries considered as a whole;

(h) the Offeror shall have obtained assurances acceptable to it with respect to CAAFS held by the Corporation or such appropriate governmental authorities as it shall consider desirable to ensure that there will be no termination, default (other than a default resulting from a change of control), breach or other adverse effects on the Corporation or the Subsidiaries as a result of the transactions contemplated herein; and

(i) any representation or warranty of any of the Sellers and the Corporation in this

Agreement and in the Support Agreement shall not have been, as of the date made, true and correct in all material respects, or the Corporation or any of the Sellers shall not have performed in all material respects any covenant or complied with any agreement to be performed by them under the Support Agreement and this Agreement.

The foregoing conditions will be for the sole benefit of the Offeror and may be waived by it in whole or in part at any time.

4. TERMS OF INSTALMENT NOTES. The Instalment Notes shall be issued by a Canadian corporation pursuant to a note indenture and the principal terms thereof shall be:

(a) interest rate: annual interest rate equal to the rate secured by the Offeror on the indebtedness incurred to finance the Offer from its principal bankers payable quarterly calculated in arrears;

(b) instalments: 20% of the principal payable on the Effective Date and 20% on the first, second, third and fourth anniversary of the issuance of the notes (it being understood that, if the initial principal payment is duly paid or provided for on the Effective Date, the notes need represent only the principal payments due after the Effective Date);

(c) guarantee: unconditionally guaranteed by Offeror;

(d) security: unsecured, ranking PARI PASSU with indebtedness to ordinary creditors of the issuer;

(e) events of default: customary, including non-payment of instalment or interest and insolvency of issuer or guarantor;

(the "Instalment Notes")

5. HOLDCO PURCHASE. The Offer will provide that any holder of Common Shares which holds such Common Shares indirectly through a holding corporation (a "Holdco") may deposit all of the outstanding shares of its Holdco under the Offer. Any such deposit of shares of a Holdco as opposed to the deposit of the underlying Common Shares shall be subject to customary conditions, including (i) any required approval under applicable securities laws, (ii) the relevant Seller providing representations, warranties and indemnities reasonably satisfactory to the Offeror, including as to the absence of any liabilities in the relevant Holdco and of any asset other than Common Shares, and (iii) each Seller who deposits shares of a Holdco shall reimburse the Offeror for any additional costs that will

be incurred as a result of the acquisition of such Holdco.

SCHEDULE "B"

	Class a Shares	Class B Shares	Options	Total
Placements Al-Vi Inc.	3,320,663	23,402		3,344,065
2330-3076 QBC. Inc.	2,653,486			2,653,486
Jean-Jacques Cossette	285,464	2,200	200,000	487,664
2954-7635 Quebec Inc.	173,650	233,100		406,750
Viviane Cossette	8,204		200,000	208,204
Fernand Cossette	658,825	3,002	200,000	861,827
9008-6760 Quebec Inc.	385,064	2		385,066
Marcel Cossette	235,245			235,245
Andre J. Lascelle	192,441	14,720	200,000	407,161
Pierre Moreau	200,000	500	150,000	350,500
2700638 Canada Inc.	56,350			56,350
Norman Farrell	200,020		150,000	350,020
Lock-up Group	8,369,412	276,926	1,100,000	9,746,338

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This schedule contains summary financial information extracted from Consolidated Summary Financial Statements and Notes included in this Form 10-Q and is qualified in its entirety by reference to such financial statements.

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DEC-31-1999
JUN-30-1999
76,900
76,000
210,500
(6,300)
239,700
738,200
2,213,800
(1,202,900)
2,814,200
511,800
578,100
0
0
117,000
1,202,600
2,814,200
1,368,600
1,368,600
999,000
1,182,900
0
0
900
184,800
73,200
112,100
0
0
0
112,100
1.05
1.05