



FOR IMMEDIATE RELEASE

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STOCK SYMBOL: PFB

PFB CORPORATION ANNOUNCES COMPLETION OF THE PURCHASE OF THE INSULSPAN GROUP, A STRUCTURAL INSULATED PANEL MANUFACTURER

(TSX - PFB) PFB Corporation (PFB) reports it has completed the purchase of the Insulspan Group, subject to finalizing certain corporate registrations and regulatory filings. Insulspan is a leader in the structural insulated panel systems (SIPS) industry. This transaction positions PFB as a leading supplier of structural insulated panel systems to the North American building materials market and completes the vertical integration of products based on the superior insulating properties of the expanded polystyrene (EPS) manufactured by its Plasti-Fab business unit.

The Insulspan Group includes Midwest Panel Systems, Inc., Insulspan, Inc. (collectively "Insulspan") and Riverbend Timber Framing, Inc. ("Riverbend").

The Insulspan Group is located in Blissfield, Michigan, USA, and is an established manufacturer of SIPS used in residential and commercial building construction. Insulspan is viewed as a leader in the SIPS industry and has won numerous awards for buildings incorporating its SIPS. Riverbend is a member of the Insulspan Group that designs and manufactures timber frame homes and uses SIPS in its timber frame packages. Additionally, Insulspan sells SIPS through 22 builder dealers principally focused on Eastern U.S. residential and commercial customers.

Earlier this year, PFB Corporation acquired a SIPS manufacturing facility located in Aldergrove, British Columbia, Canada, where SIPS are manufactured for Canadian, U.S. and international markets, including Japan. All SIPS operations will be operated by Insulspan Group and will manufacture the Insulspan SIPS product line. The operations are strategically located to serve all North American markets.

PFB Corporation's Plasti-Fab subsidiary is the primary supplier of EPS foam core material used in manufacturing Insulspan SIPS. Additionally, Plasti-Fab will offer its Advantage ICF (Insulating Concrete Forming System) product line throughout existing Insulspan distribution channels.

Structural Insulated Panels

Structural Insulated Panels are used to create strong and highly-insulated wall or roof assemblies that can be constructed in a few simple steps and in considerably less time than with conventional stick frame construction. Because of their energy-saving features, high strength and

speed of installation, Insulspan SIPS are rapidly gaining favor with homeowners, builders, and designers throughout North America. Insulspan SIPS building components are manufactured and sub-assembled in a factory environment which ensures high quality and labor savings over conventional field construction. Key markets for Insulspan SIPS include conventional, timber-frame, log home, multi-unit, and light commercial construction.

Transaction Overview

Mr. Frank Baker has been appointed President of the Insulspan Group and has joined the board of directors of PFB Corporation. Through the creation of the Insulspan Group as subsidiaries of PFB Corporation, all SIPS operations of PFB will be combined under Frank Baker's leadership.

PFB Corporation issued 800,000 common shares from treasury to the vendors of the Insulspan Group of which 399,999 common shares are subject to an earn-out clause and will be held in escrow until earned. In addition, PFB purchased the real estate and buildings which house the Insulspan Group manufacturing facilities for approximately U.S. \$1,600,000 consisting of U.S. \$500,000 cash and the assumption of approximately U.S. \$1,100,000 of mortgage debt obligation.

PFB Corporation has a strong balance sheet with cash and an unused credit facility available to finance the transaction and related additional working capital requirements, including a working capital deficiency of Insulspan Inc. of approximately U.S. \$1,780,000. The working capital deficiency includes deposits of U.S. \$2,360,000 received by Insulspan from its customers against current open orders. Insulspan sales revenues for the nine month period ended September 30, 2004 were U.S. \$10,700,000. The effective date of the transaction has been agreed as October 1, 2004.

Business Risks

There are number of inherent business risks associated with the above transactions. Risks principally related to the market for SIPS include, but are not limited to, competition, the impact of raw material pricing on SIPS relative to conventional construction, and commercial and residential construction activity. As a result of the transaction, a significant portion of PFB total revenues will be denominated in U.S. dollars thereby creating increased foreign exchange risk. The market for SIPS is currently in an early stage of development and, as such, there are certain risks associated with the development of the market including the continued adoption of SIPS in the construction industry. Although an integration plan related to the transactions is in process, the integration of the acquired companies involves various risks which could potentially impact the future profitability of PFB.

Forward Looking Statements

This press release may contain forward-looking statements including expectations of future sales, cash flow and earnings. These statements are based on current expectations that involve a number of risks and uncertainties that could cause actual results to differ from those anticipated.

These risks and uncertainties include operating performance, regulatory and environmental issues, weather and economic conditions, competition and financing availability.

About PFB

PFB Corporation, through wholly-owned subsidiaries, is a vertically integrated manufacturer of proprietary building products based on expanded polystyrene (EPS) technology. Our products are manufactured in eight facilities located across Canada and in two facilities located in Michigan, USA. The products are distributed to industrial customers and to the retail market. Plasti-Fab's "EPS Product Solutions" offer five product lines including insulation, building systems, geotechnical engineered applications, buoyancy, and packaging & display. Our Advantage ICF (insulating concrete forming systems), Insulspan SIPS (structural insulated panel systems), and Riverbend Timber Frames are state-of-the-art building systems rapidly growing in popularity across North America.

PFB Corporation shares are listed for trading on the Toronto Stock Exchange, under the symbol PFB.

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