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NEWS RELEASE

FOR IMMEDIATE RELEASE Nasdaq:POPEZ

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POPE RESOURCES REPORTS SECOND QUARTER EARNINGS OF $4.1 MILLION

Pope Resources (Nasdaq:POPEZ) reported net income of $4.1 million, or 86 cents per diluted ownership unit, on revenues of $16.1 million for the second quarter ended June 30, 2005. This compares to net income of $4.0 million, or 87 cents per diluted ownership unit, on revenues of $11.9 million for the comparable period in 2004.

Net income for the six months ended June 30, 2005 totaled $8.7 million, or $1.83 per diluted ownership unit, on revenues of $32.8 million. Net income for the corresponding period in 2004 totaled $8.0 million, or $1.75 per diluted ownership unit, on revenues of $23.6 million.

Year-to-date earnings before interest, taxes, depreciation, depletion, and amortization (EBITDDA) were $17.9 million versus $12.6 million for the comparable period in 2004.

“Performance by each of our operating segments in 2005’s second quarter built upon the positive momentum of the first quarter to produce strong year-to-date results,” said David L. Nunes, President and CEO. “For the first six months of this year compared to the same period a year ago, log sales volumes for our Fee Timber segment increased nearly 20%, from 38 million board feet (MMBF) in 2004 to 45 MMBF in 2005. Comparing the same six-month periods, average log prices were up $49 per thousand board feet (MBF) this year over last, a 9% increase. Together, these two performance drivers contributed greatly to a 28% increase in year-to-date Fee Timber EBITDDA, which increased from $13.3 million in 2004 to $17.0 million in 2005. In contrast to this EBITDDA comparison, year-to-date operating income for our Fee Timber segment declined by 5%, from $10.5 million in 2004 to $10.0 million in 2005. This decline is due to the impact in the current year of log harvest volume coming from a recent acquisition that carries a significantly higher depletion expense as a result of establishing a separate depletion cost pool for that acquired timber.”

“On the strength of a new management agreement, our Timberland Management & Consulting segment generated year-to-date operating income of $1.7 million, compared to an operating loss of $0.5 million in 2004. Additionally, our Real Estate segment has benefited by strong buyer interest in rural residential land and posted year-to-date 2005 operating income of $0.8 million, compared to income of $1.0 million for the comparable period in 2004, where last year’s results were dominated by one large parcel sale.”

The Partnership does not expect financial results for the first six months of 2005 to be duplicated in the last half of the year. Timber harvest volume in the first two quarters of 2005 represented 57% of the planned 2005 harvest of 79 MMBF. Similarly, as a result of strong market conditions, the Real Estate segment has completed nearly two-thirds of its planned development property sales in 2005 as of this midpoint in the year.

About Pope Resources

Pope Resources, a publicly traded limited partnership, and its subsidiaries Olympic Resource Management and Olympic Property Group, own or manage over 640,000 acres of timberland and development property in Washington and Oregon. In addition, we provide forestry consulting and timberland management services to third-party owners and managers of timberland in Washington, Oregon, and California. The company and its predecessor companies have owned and managed timberlands and development properties for more than 150 years. Additional information on the company can be found at www.orm.com. The contents of our website are not incorporated into this release or into our filings with the Securities and Exchange Commission.

This press release contains a number of projections and statements about our expected financial condition, operating results, business plans and objectives. These statements reflect management's estimates based on current goals and its expectations about future developments. Because these statements describe our goals, objectives, and anticipated performance, they are inherently uncertain, and some or all of these statements may not come to pass. Accordingly, they should not be interpreted as promises of future management actions or financial performance. Our future actions and actual performance will vary from current expectations and under various circumstances the results of these variations may be material and adverse. Some of the factors that may cause actual operating results and financial condition to fall short of expectations include factors that affect our ability to anticipate and respond adequately to fluctuations in the market prices for our products; environmental and land use regulations that limit our ability to harvest timber and develop property; labor, equipment and transportation costs that affect our net income; and economic conditions that affect consumer demand for our products and the prices we receive for them. Other factors are set forth in that part of our Annual Report on Form 10-K entitled "Management’s Discussion & Analysis of Financial Condition and Results of Operation - Risks and Uncertainties." Other issues that may have an adverse and material impact on our business, operating results, and financial condition include those risks and uncertainties discussed in our other filings with the Securities and Exchange Commission. Forward-looking statements in this release are made only as of the date shown above, and we cannot undertake to update these statements.

Management considers earnings (net income or loss) before interest expense, income taxes, depreciation, depletion and amortization (EBITDDA) to be a relevant and meaningful indicator of liquidity and earnings performance commonly used by investors, financial analysts and others in evaluating companies in its industry and, as such, has provided this information in addition to the generally accepted accounting principle-based presentation of net income or loss and cash from operations. In that context, “depletion” refers to a measure of the cost of timber harvested.

Pope Resources, A Delaware Limited Partnership
Unaudited

CONSOLIDATED STATEMENTS OF OPERATIONS
(all amounts in $000's, except per unit amounts)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
Revenues	$ 16,131	$ 11,888	$ 32,787	$ 23,620
Costs and expenses:				
Cost of sales	(7,410)	(4,128)	(15,214)	(8,616)
Operating expenses	(3,626)	(2,987)	(6,807)	(5,483)
Opertaing income	5,095	4,773	10,766	9,521
Interest, net	(635)	(776)	(1,352)	(1,526)
Income before income taxes and minority interest	4,460	3,997	9,414	7,995
Income tax provision	(263)	-	(510)	-
Income before minority interest	4,197	3,997	8,904	7,995
Minority interest	(128)	-	(229)	-
Net income	$ 4,069	$ 3,997	$ 8,675	$ 7,995
Average units outstanding - Basic	4,596	4,520	4,578	4,520
Average units outstanding - Diluted	4,757	4,594	4,740	4,579
Basic net income per unit	$ 0.89	$ 0.88	$ 1.89	$ 1.77
Diluted net income per unit	$ 0.86	$ 0.87	$ 1.83	$ 1.75

CONSOLIDATED BALANCE SHEETS
(all amounts in $000's)

	June 30, 2005	June 30, 2004
Assets:		
Cash	$ 1,574	$ 8,865
Short term investments	8,007	-
Other current assets	4,517	2,120
Roads and timber	57,977	53,801
Properties and equipment	26,981	25,633
Other assets	989	1,337
Total	$ 100,045	$ 91,756
Liabilities and partners' capital:		
Current liabilities	$ 3,976	$ 3,927
Long-term debt, excluding current portion	32,497	34,198
Other long-term liabilities	211	184
Total liabilities	36,684	38,309
Partners' capital	63,361	53,447
Total	$ 100,045	$ 91,756

RECONCILIATION BETWEEN NET INCOME AND EBITDDA
(all amounts in $000's)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
Net income	$ 4,069	$ 3,997	$ 8,675	$ 7,995
Added back:				
Interest, net	635	776	1,352	1,526
Depletion	3,223	1,294	7,066	2,765
Depreciation and amortization	167	174	319	342
Income tax expense	263	-	510	-
EBITDDA	$ 8,357	$ 6,241	$ 17,922	$ 12,628

RECONCILIATION BETWEEN CASH FROM OPERATIONS AND EBITDDA
(all amounts in $000's)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
Cash from operations	$ 5,921	$ 7,272	$ 12,814	11,497
Added back:				
Change in working capital	734		2,727	
Interest	635	776	1,352	1,526
Deferred profit	837	33	685	-
Income tax provision	263	-	510	-
Other	-	-		-
Less:				
Change in working capital	-	(1,834)	-	(315)
Deferred profit	-	-	-	(75)
Cost of land sold	(32)	-	(166)	(5)
Other	(1)	(6)	-	0
EBITDDA	$ 8,357	$ 6,241	$ 17,922	$ 12,628

SEGMENT INFORMATION
(all amounts in $000's)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
Revenues:				
Fee Timber	$ 13,220	$ 9,369	$ 26,883	$ 20,780
Timberland Management & Consulting (TM&C)	1,843	396	3,457	522
Real Estate	1,068	2,123	2,447	2,318
Total	16,131	11,888	32,787	23,620
EBITDDA:				
Fee Timber	8,090	5,671	17,001	13,304
TM&C	847	(77)	1,710	(459)
Real Estate	330	1,279	1,001	1,061
General & administrative	(910)	(632)	(1,790)	(1,278)
Total	8,357	6,241	17,922	12,628
Depreciation, depletion and amortization:				
Fee Timber	3,160	1,299	7,029	2,801
TM&C	27	22	48	44
Real Estate	138	61	174	84
General & administrative	65	86	134	178
Total	3,390	1,468	7,385	3,107
Operating income/(loss):				
Fee Timber	4,930	4,372	9,972	10,503
TM&C	820	(99)	1,662	(503)
Real Estate	192	1,218	827	977
General & administrative	(847)	(718)	(1,695)	(1,456)
Total	$ 5,095	$ 4,773	$ 10,766	$ 9,521

SELECTED STATISTICS

	Three months ended 30-Jun-05	Three months ended 30-Jun-04	Six months ended 30-Jun-05	Six months ended 30-Jun-04	
Log sale volumes (thousand board feet):					
Export conifer	1,963	1,558	5,473	7,182	
Domestic conifer	15,789	12,529	31,138	24,219	
Pulp conifer	3,282	2,786	5,935	5,419	
Hardwoods	1,329	682	2,817	1,087	
Total	22,363	17,555	45,363	37,907	
Average price realizations (per thousand board feet):					
Export conifer	$ 691	$ 628	$ 672	$ 652	
Domestic conifer	642	562	630	558	
Pulp conifer	205	234	211	228	
Hardwoods	557	582	594	573	
Overall	577	517	578	529	
Owned timber acres	115,103	117,251	115,103	117,251	
Acres under management	527,316	5,316	527,316	5,316	
Capital expenditures ($000's)	$ 744	$ 1,104	$ 1,691	$ 10,434	*
Depletion ($000's)	$ 3,223	$ 1,294	$ 7,066	$ 2,765	
Depreciation ($000's)	$ 167	$ 174	$ 319	$ 342	
Debt to total capitalization	35%	40%	35%	40%	

*** Includes $8.5 million timberland acquisition closed in January 2004.**

QUARTER TO QUARTER COMPARISONS
(Amounts in $000's except per unit data)

	Q2 2005 vs. Q2 2004 Total	Q2 2005 vs. Q2 2004 Per Basic Unit Outstanding	Q2 2005 vs. Q1 2005 Total	Q2 2005 vs. Q1 2005 Per Basic Unit Outstanding
Net income:				
2nd Quarter 2005	$ 4,069	$ 0.89	$ 4,069	$ 0.89
1st Quarter 2005			4,606	1.01
2nd Quarter 2004	3,997	0.88		
Variance	$ 72	$ 0.01	$ (537)	$ (0.12)
Detail of earnings variance:				
Fee Timber				
Log price realizations (A)	$ 1,342	$ 0.30	$ (67)	$ (0.02)
Log volumes (B)	1,174	0.26	(784)	(0.18)
Timberland sale income	-	-	-	-
Depletion	(1,855)	(0.41)	716	0.16
Other Fee Timber	(103)	(0.02)	23	0.01
Timberland Management & Consulting				
Management fee changes	962	0.21	-	-
Other Timberland Mgmnt & Consulting	(43)	(0.01)	(22)	(0.01)
Real Estate				
Environmental remediation liability	187	0.04	(108)	(0.02)
Land sales	(1,118)	(0.25)	(241)	(0.05)
Depletion	(74)	(0.02)	(96)	(0.02)
Other Real Estate	(21)	-	2	-
General & administrative costs	(129)	(0.03)	1	-
Interest expense	92	0.02	27	0.01
Other (taxes, minority int., interest inc.)	(342)	(0.08)	12	-
Total change in earnings	$ 72	$ 0.01	$ (537)	$ (0.12)

(A) Price variance calculated by extending the change in average realized price by current period volume.
(B) Volume variance calculated by extending change in sales volume by the average log sales price for the comparison period, less variance in log production costs.