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PRESS RELEASE

TIMBERWEST FOREST CORP. ANNOUNCES BOUGHT DEAL FINANCING

Vancouver, January 23, 2002 – TimberWest Forest Corp. announced today that it has entered into a bought deal financing agreement with a syndicate of underwriters co-led by Scotia Capital Inc., BMO Nesbitt Burns Inc., and Raymond James Ltd., and including CIBC World Markets Inc., UBS Bunting Warburg Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc., for the sale of 7,785,000 Stapled Units of TimberWest at a price of \$12.85 per Stapled Unit, for gross proceeds of \$100,037,250. TimberWest has granted the underwriters an option to purchase up to an additional 1,946,000 Stapled Units, exercisable until 48 hours prior to the closing date. The offering is expected to close on or about February 12, 2002. TimberWest has also granted the underwriters an over-allotment option to purchase up to an additional 1,459,650 Stapled Units, exercisable, in whole or in part, within 30 days following the date of closing. The maximum gross amount of proceeds raised under the offering will be \$143,799,853 should the underwriters' option and over-allotment option be fully exercised. At December 31, 2001 TimberWest had 64,690,867 Stapled Units outstanding.

Net proceeds of the offering will be used to reduce indebtedness under TimberWest's non-revolving credit facility. The Company believes that this will have the effect of improving its flexibility in terms of future financing.

The Stapled Units will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

TimberWest Stapled Units are listed on the Toronto Stock Exchange under the symbol "TWF.UN".

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