



For immediate release: April 11, 2002

**TIMBERWEST ANNOUNCES FIRST QUARTER RESULTS
ABOVE EXPECTATIONS DESPITE ADVERSE MARKETS**

***Company generates \$21.2 million or \$0.30 per Stapled Unit in distributable cash
and announces second quarter cash distribution of \$0.269 per Stapled Unit***

Vancouver (BC) – TimberWest generated distributable cash of \$21.2 million, or basic and diluted distributable cash of \$0.30 per weighted average Stapled Unit for the quarter ended March 31, 2002, compared to distributable cash of \$25.9 million, or basic and diluted distributable cash of \$0.40 per weighted average Stapled Unit for the same period in 2001. The Company also announced its quarterly distribution of \$0.269 per Stapled Unit, payable on July 15, 2002 to unitholders of record on July 1, 2002.

A broken stumpage and regulatory system on the BC coast, the ongoing softwood lumber dispute with the US, continued weakness in the Japanese economy, and depressed pulp and paper markets made for very difficult conditions in the first quarter of 2002. More than half of the BC coastal logging and sawmilling industry was not operating in Q1, 2002. While private land logging operations functioned, most public land logging, including the operations of TimberWest, were down for the quarter and they continue to be down. As a result, volumes and prices for everything produced by TimberWest (logs, lumber and chips) were lower than those for the same period in the prior year.

President and CEO Paul McElligott said, "While the first quarter results were better than expected, they were clearly worse than those typically delivered by TimberWest at the start of a new year. Despite all of the difficulties, we were pleased to generate sufficient distributable cash to fund our quarterly distribution at a time when revenues and earnings were 20% and 25%, respectively, lower than the prior year period.

"Domestic log sales volumes were down 44% in Q1 2002 over the equivalent period in 2001. These declines were almost completely offset, however, by higher export log sales made possible by the private ownership of TimberWest's forest lands.

"Log exports are a critical part of our success because, like any business, we want to diversify our markets and get the highest value for our product. The premium received by selling a small portion of our logs for international prices allows TimberWest to harvest stands that would otherwise be uneconomic. This is what has enabled us to continue operating profitably on private land and to keep employees working at a time when most Crown timber-dependent companies are severely curtailed.

"It has been a challenging quarter and TimberWest employees have been up to the challenge, not just in terms of production, but by being able to stay focused on safety. The Company has set an aggressive MIR safety target of 6 for 2002, and in the first quarter has achieved an MIR of 3.86.

"TimberWest also made progress with its operations excellence program in the quarter, taking out \$1.9 million in costs.

"As the year progresses, TimberWest will do all it can to improve profitability by continuing to reduce costs and enhancing efficiencies."

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Quarterly Financial Highlights

TimberWest generated distributable cash¹ of \$21.2 million, or basic and diluted distributable cash of \$0.30 per weighted average Stapled Unit for the quarter ended March 31, 2002, compared to distributable cash of \$25.9 million, or basic and diluted distributable cash of \$0.40 per weighted average Stapled Unit for the same period in 2001. Earnings available for distribution¹ for the quarter, before provision for future income taxes, were \$14.9 million or \$0.21 per weighted average Stapled Unit compared to \$21.3 million, or \$0.33 per weighted average Stapled Unit for the same quarter in 2001. Net sales for the first quarter were \$88.9 million, compared to net sales of \$110.7 million reported for the first quarter of 2001. Operating earnings were \$21.0 million for the first quarter of 2002 compared to \$28.0 million for the same quarter in 2001. EBITDA¹ for the quarter ended March 31, 2002 was \$23.7 million, or \$0.34 per weighted average Stapled Unit compared to \$31.6 million, or \$0.49 per weighted average Stapled Unit for the same period in 2001.

In February 2002, the Company completed an equity offering through a syndicate of underwriters of 11,190,650 Stapled Units at a price of \$12.85 per Stapled Unit, for gross proceeds of \$143.8 million. Net proceeds of the offering of \$136.1 million were used to reduce the Company's indebtedness under its non-revolving credit facility.

Summary of Results

(in millions of dollars, except as otherwise indicated)

For the three months ended March 31

<i>Unaudited</i>	2002	2001
Net sales	\$ 88.9	\$ 110.7
Operating earnings	\$ 21.0	\$ 28.0
Earnings available for distribution before provision for future income tax expense	\$ 14.9	\$ 21.3
Distributable cash	\$ 21.2	\$ 25.9
Proceeds from sale of capital assets	\$ 0.8	\$ 3.6
Maintenance capital expenditures	\$ 0.3	\$ 0.4
Distributions paid	\$ 17.4	\$ 17.5
<u>\$ per weighted average Stapled Unit:</u> (unless otherwise noted)		
Basic and diluted earnings available for distribution before provision for future income taxes	\$0.21	\$0.33
Basic and diluted distributable cash	\$0.30	\$0.40
Distributions paid	\$0.27	\$0.27

Outlook

Considerable uncertainty remains in the US lumber market. The Canada – US Softwood Lumber dispute has yet to be resolved. The International Trade Commission's final determination of injury to the US industry, expected in early May, will bring some clarity to North American lumber markets. The final imposition of countervailing and anti-dumping duties should provide price support in both lumber and log markets. Improving economic conditions should lead to higher lumber consumption in areas other than new home construction. New home construction is expected to continue to show the strength that it has exhibited in recent years.

¹ Distributable cash, earnings available for distribution and EBITDA are measures that do not have a standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and may not be comparable to similar measures presented by other companies. A reconciliation between net earnings as determined in accordance with GAAP and these measures is provided in the Company's 2002 First Quarter Interim Report.

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Economic reports indicate that the Japanese economy is not expected to change significantly during 2002. In particular, housing starts are expected to remain consistent with 2001 at 1.2 million. As a consequence, the Japanese lumber market should remain stable for the balance of the year, with the Company anticipating both log and lumber pricing and demand to remain stable.

To date, there has been little good news in global pulp markets, and economic forecasts suggest no improvement will occur during the balance of 2002. Locally, pulp log prices in the coastal British Columbia market remain weak, but stable, with no improvement expected for the balance of the year.

TimberWest continues to work with industry stakeholders on public policy reform and cost reduction initiatives with a view to improving the competitiveness of the forest industry on the coast. The Company is hopeful that meaningful change will occur this year to improve industry viability. Concurrently, TimberWest will be working on its own set of cost reduction initiatives throughout the remainder of the year.

Despite the fact that market conditions are not expected to improve appreciably in the near term, TimberWest will continue to focus on its strategy of operations excellence to drive costs down throughout the business, and to use the flexibility of its asset base and its market diversity to deliver consistent results to Unitholders.

Supplemental Information

(in millions of dollars, except as otherwise indicated)

For the three months ended March 31

Unaudited

2002

2001

Operations

Net sales	\$ 88.9	\$ 110.7
Operating costs and expenses:		
Cost of products sold	61.3	75.3
Depreciation, depletion and amortization	2.6	3.4
Selling, administrative and other	4.0	4.0
	67.9	82.7
Operating earnings	21.0	28.0
Interest expense	4.0	6.2
Amortization of deferred financing costs	2.0	0.4
Other income	(0.1)	(0.2)
Earnings before income taxes	\$ 15.1	\$ 21.6
EBITDA	\$ 23.7	\$ 31.6
Earnings available for distribution before provision for future income taxes	\$ 14.9	\$ 21.3
Distributable cash	\$ 21.2	\$ 25.9
Cash generated from operations before changes in working capital	\$ 21.2	\$ 24.1
Sales by Product		
Logs	\$ 73.0	\$ 81.1
Lumber	12.7	22.1
Wood chips and other	2.5	3.9
Real estate	0.7	3.6
	\$ 88.9	\$110.7
Sales Volume		
Logs (thousand m ³)	649.8	667.2
Lumber (million fbm)	26.8	46.6
Production Volume		
Logs (thousand m ³)	707.5	873.2

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Lumber (million fbm)	26.0	36.0
Financial Position	As at	As at
	03-31-02	12-31-01
Net working capital (excludes short-term borrowings and distribution payable)	\$ 53.1	\$ 50.4
Total assets	\$1,480.6	\$1,487.2
Total debt	\$ 241.0	\$ 378.6
Unitholders' equity	\$ 921.5	\$ 788.5
Total capitalization	\$1,162.5	\$1,167.1
Debt to total capitalization	21%	32%
Stapled Units outstanding (thousands)	75,946	64,975
Basic weighted average Stapled Units (thousands)	70,388	64,912
Diluted weighted average Stapled Units (thousands)	70,588	65,050

Quarterly Conference Call

TimberWest will hold a conference call at 8:00am PST (11:00am EST) on Friday, April 12, 2002, to discuss results of the first quarter. To access the conference call, listeners should dial 1-888-303-1413. For those unable to participate in the live call, a recording of the call will be available until April 26, 2002, and can be accessed at 1-800-558-5253 using code 20465626. The conference call will also be broadcast live over the internet via TimberWest's website home page at www.timberwest.com. The webcast will be archived and available for an additional 90 days.

Corporate Profile

TimberWest Forest Corp. is uniquely positioned as the largest owner of private forest lands in western Canada. The Company's 334,000 hectares, providing a sustainable annual harvest of 2.1 million to 2.5 million m³ of logs, are largely located on Vancouver Island and contain some of the best coniferous forest growing sites in the world. The American Forest & Paper Association has certified that the Company is committed to managing these private lands according to sustainable forestry standards under its Sustainable Forestry Initiative (SFI)SM Program. TimberWest also owns annual Crown harvest rights for 1.2 million m³ of logs, a lumbermill, and about 6,500 hectares of properties that are progressively being made available for higher uses.

Forward Looking Statements

The statements which are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties. TimberWest's actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, general economic conditions, variations in TimberWest's product prices and changes in commodity prices generally, changes in market conditions, actions of competitors, interest rate and foreign currency fluctuations, regulatory and harvesting fee changes and other actions by governmental authorities, the ability to implement business strategies and pursue business opportunities, weather conditions, forest fires and other natural phenomena and other risks and uncertainties described in TimberWest's public filings with securities regulatory authorities.

Additional Information

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