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## **9,700-hectare land purchase protects future drinking water supply for CRD residents, and adds to regional park system**

Victoria (BC) – The Capital Regional District (CRD) is purchasing more than 9,700 hectares of land from TimberWest Forest Corp. to protect the future of the region’s drinking water supply and to substantially add to the region’s park system.

The agreement involves two separate parcels of land. The land for the water supply is located west of the existing Sooke water supply lands. At 8,791 hectares, the Leech River watershed nearly doubles the CRD’s water supply area. The second parcel, 932 hectares for new regional park land, is located east of the Sooke Potholes Regional Park and is being purchased with support from The Land Conservancy of British Columbia (TLC).

“This is one of the largest, most important land acquisitions in recent BC history. The addition of the Leech River watershed, which can be connected to the CRD’s water supply reservoirs, is a prudent strategic acquisition that secures and protects our future water source,” said Nils Jensen, Chair of the CRD Regional Water Supply Commission. “While the Sooke Reservoir is expected to meet regional water needs for at least the next 15 years, we have taken action that provides a legacy for the future.”

“TimberWest is delighted that our former properties in the Leech River watershed will help preserve the quality of life in the capital region,” said Paul McElligott, President and CEO, TimberWest Forest Corp. “This land transaction is another example of our company’s commitment to work with our neighbours in a socially responsible manner.”

“The new park land is a significant addition to the 7,400 hectares already dedicated to the Sea-to-Sea Green Blue Belt, southern Vancouver Island’s ecological highway of protected, park wilderness connecting Sooke Basin to Saanich Inlet ,” said John Ranns, Vice Chair of CRD Parks Committee. “I would like to thank The Land Conservancy of British Columbia for their financial contribution to this project and its ongoing commitment to help achieve the vision for the regional park system in the capital region.”

“We are pleased to have played a role in adding to the Sea-to-Sea Green Blue Belt,” said Bill Turner, Executive Director of The Land Conservancy of British Columbia. “Helping secure this land is a source of great pride for all of us involved with TLC and builds on our past financial contributions to the purchase of Sooke Potholes and land in the Sooke Hills for regional parks.”

With this purchase the CRD will manage nearly 20,000 hectares of land dedicated to the protection of the region's water supply. The purchase also allows the CRD to avoid substantial future capital costs of more than \$150 million associated with the construction and operation of a new water treatment facility.

The purchase of the land for regional parks will increase the total regional park area to nearly 11,400 hectares. This accounts for approximately 50 per cent of all the protected lands in the capital region.

The transaction is valued at \$64.7 million, of which \$58.9 million is for the Leech River watershed. It will be funded through an increase in the wholesale water rate that will cost the average household about \$23 per year. The purchase price for the second parcel dedicated for park use is \$5.8 million, financed by the CRD's land acquisition fund and a \$500,000 contribution from TLC.

The CRD will borrow funds to complete the deal and it will therefore be subject to the assent of the electorate. The deal is expected to close before the end of year.

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## **TimberWest Corporate Profile**

TimberWest Forest Corp. is uniquely positioned as the largest owner of private forest lands in western Canada. The Company owns in fee simple approximately 334,000 hectares or 825,000 acres of private timberland that, over the previous five years, have provided an annual average harvest of 2.594 million m<sup>3</sup> of logs and have an approximate annual growth rate of 8.0 m<sup>3</sup> per hectare per year on the productive land base. These timberlands are located on Vancouver Island and the majority of the land base supports the growth of Douglas fir, a premium tree species sought after for structural purposes. TimberWest runs fully-contracted harvesting operations. With almost 80% of the Company's annual private land logging now being done in second-growth stands, TimberWest leads the Coastal industry in the growing and harvesting of second-growth timber.

The Company's independent auditor, KPMG Performance Registrar Inc., periodically certifies that the forest management practices on the Company's private timberland continue to meet all Sustainable Forestry Initiative (SFI®) requirements. SFI requirements specify that forest harvesting is integrated with environmental and conservation goals for soil, wildlife, water quality protection, conservation of biodiversity, protection of special sites and aesthetics in a manner that ensures a sustainable harvest over the long-term.

TimberWest also owns renewable Crown harvest rights to 0.7 million m<sup>3</sup> of logs per year and operates a sawmill located near Campbell River, BC.

In addition, approximately 38,000 hectares or 94,000 acres of the Company's private forest lands have been identified as having greater value as real estate properties and will progressively be made available for higher uses over the next ten to fifteen years. The Company reviews its land base on a periodic basis to update the size of its portfolio of higher use properties.

Stapled Units of TimberWest Forest Corp. are traded on the Toronto Stock Exchange under the symbol: TWF.UN

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