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TIMBERWEST TO PERMANENTLY CLOSE ELK FALLS SAWMILL

Vancouver (BC) – TimberWest Forest Corp. announced today that it will permanently close the Elk Falls sawmill in Campbell River, B.C. The last full operating shift will be May 9, 2008. The sawmill closure will include the associated shipping operations at Stuart Channel Wharves located in Crofton, B.C.

TimberWest has been engaged in a process to sell the mill since October 2005. Despite widespread exposure across Canada and elsewhere, no purchasers came forward with a bid proposal to acquire the mill. The mill has high operating costs and a history of losses even before the most recent decline in lumber markets and the strengthening of the Canadian dollar.

“Decisions like these are very difficult, given the dedicated workforce at the mill and the obvious impact on families and the community,” said Paul McElligott, TimberWest President and CEO. “TimberWest will honor all of its obligations to its employees as a result of this decision. In addition, our Manager of Human Resources will meet with each of the affected staff employees over the next week.”

There are 257 hourly and staff employees affected by this announcement. TimberWest will continue to operate the mill over the next three months, as market conditions permit, and we will ensure customer orders are filled.

For further information:

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TIMBERWEST FOREST CORP.

About TimberWest

TimberWest Forest Corp. is uniquely positioned as Western Canada's largest private land management company. The Company owns in fee simple approximately 322,000 hectares or 796,000 acres of private land, including 75 kilometres of waterfront, that, over the previous five years, have provided an annual average timber harvest of 2.565 million m³ of logs and have an approximate annual growth rate of 8.0 m³ per hectare per year on the productive land base. These lands 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.

TimberWest also owns renewable Crown harvest rights to 0.7 million m³ of logs per year and operates a sawmill located near Campbell River, BC.

The Company's independent auditor, KPMG Performance Registrar Inc., periodically certifies that the forest management practices on both the Company's private and public timberlands 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.

In addition, approximately 54,000 hectares or 134,000 acres (approximately 17% of the Company's land base) of the Company's 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. Five land classifications have been developed for the Company's 39,000 acres of core development lands. An additional 41,000 acres adjacent to our core development lands have yet to be classified for specific development opportunities, and some 54,000 acres of non-core higher and better use lands will be sold "as is" over time with no additional planning or zoning work undertaken. The Company reviews its land base on a periodic basis to update the size of its portfolio of higher use properties.

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

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