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TimberWest to increase focus on private land management by offering TFL 46 for sale

TimberWest Forest Corp. announced today that it is putting part of its public land logging business, Tree Farm Licence 46 (TFL 46), up for sale through an auction process with qualified bidders. The Company operates TFL 46 as part of its Honeymoon Bay Operation on south west Vancouver Island.

President and CEO Paul McElligott said: “TFL 46 is a valuable asset and we have received unsolicited calls expressing interest in it from other operators. We believe it is the right time to offer this asset for sale given recent policy changes around the sale of tenures and the fact that it is not part of our core business.

“We are always looking at our portfolio of assets to focus our efforts on the areas that drive maximum return for our unit holders. We believe we may have an opportunity to realize better value from TFL 46 today by selling it. Our core business is our private timberlands. For other companies, owning and operating a TFL is a core business strategy and thus they may put a higher value on the TFL. We will find out through the sale process if this is true. If we do not receive a bid that represents good value then we will not sell.”

Honeymoon Bay Operation consists of TFL 46 — with timber rights to an Annual Allowable Cut of 499,000 m³ on 83,546 hectares — and 32,770 hectares of private forestland. TimberWest will continue to own the private land portion of Honeymoon Bay Operation.

The auction will take place over the next two to three months. There is no assurance that a transaction will complete. Interested bidders can contact Bev Park, TimberWest’s Vice-President, Finance, and Chief Financial Officer. If the sale of TFL 46 materializes, the Company will use proceeds to pay down debt and re-invest in its other BC operations.

“We feel the timing is right for this kind of transaction given the recent policy changes that the BC government has introduced to encourage more entrants into the coast forest industry. We believe this is an exciting opportunity for those wishing to own forest tenure on the coast, including First Nations groups,” McElligott added.

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In addition to TFL 46, TimberWest owns TFL 47 in the northern part of Vancouver Island. TFL 47 provides fibre to the Company's Elk Falls Lumbermill in Campbell River. The lumbermill and TFL 47 operate as an integrated stand-alone unit and neither of them are part of this auction process.

TimberWest Forest Corp. is the largest owner of private forestlands 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.