

FOR IMMEDIATE RELEASE
June 29, 2011

ACQUISITION OF TIMBERWEST BY BCIMC AND PSP INVESTMENTS COMPLETED; TIMBERWEST ANNOUNCES REDEMPTION OF CONVERTIBLE DEBENTURES

VANCOUVER (BC) – TimberWest Forest Corp. (TSX: TWF.UN) (“TimberWest” or the “Company”) announced today the completion of the plan of arrangement under which British Columbia Investment Management Corporation (“bcIMC”) and the Public Sector Pension Investment Board indirectly acquired all of TimberWest’s outstanding stapled units at a price of \$6.16 in cash per stapled unit (the “Transaction”).

With the completion of the Transaction, TimberWest’s stapled units will be delisted from the Toronto Stock Exchange (“TSX”) following the close of trading on June 29, 2011 (the “Effective Date”).

Redemption and Delisting of Convertible Debentures

Following the completion of the Transaction, affiliates of bcIMC (the “bcIMC Debentureholders”) who hold unlisted 9% convertible debentures of the Company (the “bcIMC Debentures”) intend to exercise their rights to exchange (the “Debenture Exchange”) certain bcIMC Debentures into the Company’s TSX-listed 9% convertible debentures (TSX: TWF.DB) (the “Listed Debentures”). As a result of the Debenture Exchange, it is expected that the bcIMC Debentureholders will hold over two-thirds of the outstanding principal amount of the Listed Debentures. It is also expected that, following the Debenture Exchange, the indenture governing the Listed Debentures (the “Trust Indenture”) will be amended by an extraordinary resolution approved in writing by holders of not less than two-thirds of the outstanding principal amount of the Listed Debentures to provide, among other things, the Company with the right to redeem all of the Listed Debentures that are outstanding and not converted prior to the Effective Date for cash in an amount equal to the amount the holder thereof would have been entitled to receive as a result of the Transaction if, on the Effective Date, such holder had been the holder of the number of stapled units to which such Debentureholder was entitled immediately prior to the Effective Date upon conversion of the principal amount of and accrued and unpaid interest on the Debentures (the “Redemption Right”). Accordingly, upon exercise of the Redemption Right, each \$100 in principal amount of Listed Debentures (or interest thereon) will be redeemed for approximately \$188.53, reflecting the product of (i) the number of stapled units into which such principal or interest amount is convertible, based on the current conversion price of \$3.26746239 per stapled unit, multiplied by (ii) the cash consideration payable under the Transaction of \$6.16 per stapled unit.

The Company will exercise the Redemption Right in respect of all of the Listed Debentures that were outstanding and not converted prior to the Effective Date and will complete the redemption of such Listed Debentures on July 11, 2011 (the “Redemption Date”). Following the Redemption Date, holders of redeemed Listed Debentures will have no further rights or entitlements under the Listed Debentures or the Trust Indenture

other than to receive the redemption price described above. Prior to the Redemption Date, the Company will deposit with Valiant Trust Company, the trustee under the Trust Indenture ("Valiant"), funds sufficient to pay the total redemption amount payable to holders of redeemed Listed Debentures.

The Company will mail on June 30, 2011 a redemption notice to registered holders of Listed Debentures. In accordance with the amended Trust Indenture, registered holders of Listed Debentures will be required to deliver their Listed Debentures, duly endorsed for transfer, to Valiant no later than July 21, 2011.

The Company intends to delist the Listed Debentures from the TSX as soon as possible following the Redemption Date.

Copies of the Company's redemption notice and the related amendment to the Trust Indenture will be filed on SEDAR and available under the Company's profile at www.sedar.com as well as on the Company's website at www.timberwest.com.

About TimberWest

TimberWest is uniquely positioned as western Canada's largest private timber and land management company. The Company owns in fee simple approximately 327,000 hectares or 808,000 acres of private land and is in the business of selling timber products and real estate.

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Forward-looking Statements Disclaimer

Statements in this news release that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements in this news release include, but are not limited to, statements about the Debenture Exchange, proposed amendments to the Trust Indenture, the redemption of the Listed Debentures and the delisting of the Listed Debentures from the TSX. 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, variations in harvest levels, changes in log transportation costs, actions of competitors, interest rate and foreign currency fluctuations, regulatory, harvesting fee and trade policy changes and other actions by governmental authorities including real estate zoning approvals, the

ability to implement business strategies and pursue business opportunities, labour relations, weather conditions, forest fires, insect infestation, disease and other natural phenomena and other risks and uncertainties described in TimberWest's public filings with securities regulatory authorities.