



For immediate release: October 26, 2005

**TIMBERWEST ANNOUNCES 2005 THIRD QUARTER RESULTS AND
JANUARY 2006 DISTRIBUTION OF \$0.269 PER STAPLED UNIT**

**Company has challenging third quarter; increased log exports help mitigate
effects of weak domestic market and strong Canadian dollar**

Vancouver (BC) – TimberWest generated distributable cash of \$13.3 million or \$0.17 per unit for the quarter ended September 30, 2005, before taking into account the \$15.0 million buy-out of the perpetual fibre supply agreement from Western Forest Products Inc. during the quarter. On a year-to-date basis, the Company has generated \$37.6 million in distributable cash or \$0.49 per unit after taking into account the payment of \$15.0 million for the fibre supply buy-out. This compares to the \$107.1 million or \$1.40 per unit in distributable cash generated for the first nine months of 2004, which included \$16.7 million in proceeds from the sale of TFL 46 and \$14.0 million in expropriation settlement proceeds received during this period.

“This year has been a challenge on a number of fronts,” said Paul McElligott, President and CEO. “Our biggest challenge all year long has been the decline in our average log sales realizations in both domestic and export markets. We have a domestic sawmilling industry that is contracting, the result of which is a weak domestic log market characterized by low demand and low prices. In addition, the Canadian dollar has continued to appreciate and is up 9% in value compared to this time last year and we have been unable to push through sufficient price increases in any of our export markets to compensate for this.”

Record levels of log export volumes in the current year have allowed the Company to mitigate some of the adverse effects of these factors on overall log sales.

“The poor financial condition and profitability of the coastal sawmilling industry are indicative of the need for change,” added McElligott. “Inefficient sawmills have to close and investment in new globally-competitive conversion technologies is required – the former is underway, as evidenced by the number of mills no longer operating in this region.”

The Company continues to focus on reducing costs through its Operations Excellence strategy. The move to contracting out harvesting and road building activities has gone well and the Company is pleased with the contractors' performance in what has been a year of considerable transition for them and their employees. The Company's costs are improving primarily as a result of using lower-cost harvest systems and we continue to work with our contractors for further efficiencies and improvements.

In addition, TimberWest intends to take advantage of the recent strength in the real estate market on Vancouver Island. The Company has a number of larger real estate transactions underway with its higher and better use properties. While we anticipate that some of these will close before year end, the more significant of these transactions are not expected to close until early 2006. The Company believes that an orderly disposition of these properties will maximize value for its unitholders.

The Company is pleased with the buy-out of the fibre supply agreement from Western Forest Products Inc. This fibre supply agreement, entered into in 1997, required TimberWest to offer Western, in perpetuity, an annual volume of 330,000 m³ of primarily Douglas fir sawlogs at domestic prices. The buy-out will ensure that the Company is getting the maximum value in the market for its fibre and moves the Company closer to its goal of becoming an unencumbered timberland company.

Safety performance remains extremely important to TimberWest. Being the BC coast's largest second-growth operation helps with our safety performance since a high proportion of the Company's falling is mechanized, providing a safer environment for fallers. To supplement this inherent advantage, the Company is continuing with its proactive safety auditing and contractor monitoring programs.

On October 6, 2005, TimberWest announced the start of a process to sell its Elk Falls sawmill. Elk Falls is one of the best performing whitewood mills on the BC coast. It has a strong management team and a skilled, highly motivated workforce. Recent capital additions by TimberWest have been successful but the mill requires another infusion of capital for continued success. However, the sawmilling business has volatile cash flows while our unitholders have expressed a clear preference for the more stable cash flows generated in the timberlands business. We will therefore focus our resources on timberland assets.

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The Company expects better results in the upcoming fourth quarter than it has had in the previous two quarters. Though soft log prices are expected to continue into the fourth quarter, higher real estate sales and lower operating costs are expected in the fourth quarter, and the Company anticipates generating enough distributable cash to meet its quarterly distribution requirement.

Unlike the previous fiscal year, when we comfortably exceeded our distributable cash requirements, and despite expectations for a better fourth quarter, TimberWest will not cover its distribution requirements for the year 2005. However, the Company remains in a strong financial condition, is becoming lower cost, less encumbered and more focused, and will pay out its full required distributions for 2005.

At this time, TimberWest is pleased to announce a quarterly distribution of \$0.269 per Stapled Unit, payable on January 15, 2006 to unitholders of record on January 1, 2006. Since TimberWest's inception in July 1997, including the \$20.8 million distribution paid on October 15, 2005, the Company has distributed in excess of \$629 million to its unitholders.

Quarterly Financial Highlights

TimberWest reported negative distributable cash¹ of \$1.7 million or basic and diluted negative distributable cash of \$0.02 per weighted average Stapled Unit for the three months ended September 30, 2005, compared to \$35.9 million or basic and diluted distributable cash of \$0.47 per weighted average Stapled Unit for the same period in 2004. The variance in distributable cash from the prior year period can be attributed to several factors, including: lower operating earnings in the third quarter of 2005, reflecting lower average realizations on log and lumber sales; the payment of \$15.0 million or \$0.19 per Stapled Unit in the third quarter of 2005 to terminate a fibre supply agreement; and the receipt of \$14.0 million or \$0.18 per Stapled Unit in the third quarter of 2004 as settlement for the 1995 expropriation of timber harvesting rights (disclosed in 2004 as an extraordinary item). Proceeds from the sale of real estate for the quarter were \$2.2 million compared to \$2.3 million for the same period in 2004. TimberWest reported negative earnings available for distribution¹, before provision for future income taxes, for the third quarter of 2005 of \$6.9 million or \$0.09 per basic and diluted weighted average Stapled Unit compared to earnings available for distribution, before provision for future income taxes, of \$33.0 million or \$0.43 per basic and diluted weighted average Stapled Unit for the same quarter in 2004.

Sales for the third quarter of 2005 were \$119.7 million, comparable to sales of \$119.9 million reported for the third quarter of 2004. Operating earnings were \$14.0 million compared to \$23.0 million for the same period in 2004. As noted previously, the year-over-year softening of the operating margin primarily reflects lower average realizations on log and lumber sales, which were off 14% and 16%, respectively, compared to the same period in 2004. Earnings before interest, taxes, depreciation and amortization (EBITDA)¹ for the quarter ended September 30, 2005, were \$0.2 million or nil per basic and diluted weighted average Stapled Unit compared to \$25.6 million or \$0.33 per basic and diluted weighted average Stapled Unit for the same period in 2004. During the third quarter of 2005, a 1.5% reduction in the British Columbia general corporate income tax rate was substantively enacted, resulting in a future income tax recovery of \$9.2 million being recorded during the three months ended September 30, 2005. The Company incurred a net loss of \$17.0 million for the quarter ended September 30, equating to a basic and diluted net loss of \$0.22 per weighted average common share, compared to net earnings of \$12.6 million or basic and diluted net earnings of \$0.16 per weighted average common share for the same period in 2004. As noted previously, the Company made a payment of \$15.0 million in the third quarter of 2005 to terminate a fibre supply agreement, and in the third quarter of 2004 received \$14.0 million for the expropriation of timber harvesting rights.

Year to Date Financial Highlights

TimberWest generated distributable cash of \$37.6 million or basic and diluted distributable cash of \$0.49 per weighted average Stapled Unit for the nine months ended September 30, 2005, compared to \$107.1 million or basic and diluted distributable cash of \$1.40 per weighted average Stapled Unit for the same period in 2004. The year-over-year decrease can be attributed to several items, including: lower operating earnings in the first nine months of 2005, reflecting lower average realizations on log and lumber sales compared to the same period in 2004; the receipt of cash proceeds of \$16.7 million or \$0.22 per Stapled Unit from the sale of TFL 46 in 2004; the payment of \$15.0 million or \$0.19 per Stapled Unit in 2005 to terminate a fibre supply agreement; and the receipt of \$14.0 million or \$0.18 per Stapled Unit in 2004 as settlement for the expropriation of timber harvesting rights. Also noteworthy is an atypically large number of property, plant and equipment transactions in both 2005 and 2004, including the buy-out of leases on company-operated logging equipment for \$21.0 million and the subsequent sale of this leased equipment

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. Management believes that the presentation of these measures will enhance an investor's understanding of the Company's operating performance. A reconciliation of net earnings as determined in accordance with GAAP and distributable cash and earnings available for distribution is provided in the Summary of Financial Results and a reconciliation of net earnings as determined in accordance with GAAP and EBITDA is provided in the Supplemental Information included in this press release.

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and other company-owned logging equipment to long-term contractors for proceeds of approximately \$25.1 million as part of the 2005 business transformation initiative, and, as noted previously, the receipt of cash proceeds of \$16.7 million from the sale of TFL 46 in 2004. Proceeds from the sale of real estate for the first nine months of 2005 were \$4.2 million compared to \$3.3 million for the same period in 2004. Earnings available for distribution for the nine months ended September 30, 2005, before provision for future income taxes, were \$25.7 million or \$0.33 per basic and diluted weighted average Stapled Unit compared to \$85.6 million or \$1.12 per basic and diluted weighted average Stapled Unit for the same period in 2004.

Sales for the first nine months of 2005 were \$325.9 million compared to \$362.1 million reported for the comparative period of 2004. Operating earnings were \$49.1 million for the first nine months of 2005 compared to \$79.4 million for the same period in 2004. EBITDA for the nine months ended September 30, 2005, were \$45.4 million or \$0.59 per basic and diluted weighted average Stapled Unit compared to \$92.6 million or \$1.21 per basic and diluted weighted average Stapled Unit for the same period in 2004. As noted previously, a 1.5% reduction in the British Columbia general corporate income tax rate was substantively enacted during the third quarter of 2005, resulting in a future income tax recovery of \$9.2 million being recorded during the nine months ended September 30, 2005. The Company incurred a net loss of \$26.1 million, or a basic and diluted net loss of \$0.34 per weighted average common share, for the nine months ended September 30, 2005, compared to net earnings of \$24.9 million or basic and diluted net earnings of \$0.32 per weighted average common share for the same period in 2004. As noted previously, the payment in 2005 of \$15.0 million to terminate a fibre supply agreement is reflected in the net loss for the nine months ended September 30, 2005. Year to date results for 2005 also includes \$3.7 million received in the first quarter of 2005 as compensation for the loss of logging rights under the Forestry Revitalization Plan, and reflects a \$2.0 million restructuring charge taken in the second quarter of 2005 related to the Company's business transformation initiative. In addition, net earnings for the nine months ended September 30, 2004 reflect a \$14.0 million expropriation settlement received in that year and disclosed as an extraordinary item.

Subsequent Event – Process for the Sale of the Elk Falls Lumbermill

On October 6, 2005, the Company announced its decision to begin a sales process for the Elk Falls Lumbermill. The Elk Falls facility, located at Campbell River on Vancouver Island, consists of a medium-diameter log lumbermill, an integrated chipping facility, a planermill and dry kilns.

TimberWest's decision to offer the Elk Falls facility for sale was based on a strategic review of the Company's portfolio of assets. The cyclic and capital-intensive nature of the sawmilling business is not consistent with the Company's core business of timberland management and the Company's capital structure.

No private timberlands or Crown cutting rights are included in this sales process.

Summary of Financial Position

*In millions of dollars, except as otherwise indicated
Unaudited*

	As at September 30, 2005	As at December 31, 2004 (restated)
Net non-cash working capital (excluding cash, short-term borrowings and distribution payable)	\$ 59.8	\$ 52.5
Cash	\$ –	\$ 1.6
Total assets	\$ 1,442.0	\$ 1,434.5
Total debt ²	\$ 245.0	\$ 217.0
Series A Subordinate Notes owned by unitholders	\$ 693.9	\$ 690.5
Unitholders' equity	\$ 191.8	\$ 216.6
Total capitalization ²	\$ 1,130.7	\$ 1,124.1
Debt-to-total capitalization ratio ²	21.7%	19.3%
Stapled Units outstanding (thousands)	77,275	76,907
Basic weighted average Stapled Units (thousands)	77,143	76,524
Diluted weighted average Stapled Units (thousands)	77,287	76,629

² Total debt, total capitalization and debt-to-total capitalization are measures that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. As the Company's Series A Subordinate Notes (September 30, 2005 – \$693.9; December 31, 2004 – \$690.5 million) trade only as part of the Company's equity instrument, the Stapled Unit, they are not included in the Company's definition of debt. Management believes that the presentation of these measures will enhance an investor's understanding of the Company's financial resources and capital structure.

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Summary of Financial Results

<i>In millions of dollars, except as otherwise indicated</i> <i>Unaudited</i>	Three months ended September 30		Nine months ended September 30	
	2005	2004 (restated)	2005	2004 (restated)
Sales	\$ 119.7	\$ 119.9	\$ 325.9	\$ 362.1
Operating earnings	\$ 14.0	\$ 23.0	\$ 49.1	\$ 79.4
Earnings before extraordinary item	\$ (17.0)	\$ 3.6	\$ (26.1)	\$ 15.9
Extraordinary item – expropriation settlement proceeds, net of taxes	–	9.0	–	9.0
Net earnings (loss)	\$ (17.0)	\$ 12.6	\$ (26.1)	\$ 24.9
Distributable cash				
Net earnings (loss)	\$ (17.0)	\$ 12.6	\$ (26.1)	\$ 24.9
Interest on Series A Subordinate Notes owned by unitholders	20.8	20.6	62.4	61.8
Earnings available for distribution	3.8	33.2	36.3	86.7
Future income tax recovery on earnings before extraordinary item	(10.7)	(5.2)	(10.6)	(6.1)
Future income tax expense on extraordinary item	–	5.0	–	5.0
Earnings available for distribution before provision for future income taxes	(6.9)	33.0	25.7	85.6
Add (deduct):				
Depreciation, depletion and amortization	2.5	2.5	7.2	8.6
Proceeds from the sale of real estate	2.2	2.3	4.2	3.3
Proceeds from sale of other property, plant and equipment	0.2	0.4	28.8	18.0
Loss (gain) on sale of property, plant and equipment	0.1	(0.5)	(6.2)	(5.9)
Additions to property, plant and equipment	(0.2)	(2.5)	(22.5)	(4.5)
Other non-cash items	0.4	0.7	0.4	2.0
	5.2	2.9	11.9	21.5
Distributable cash	\$ (1.7)	\$ 35.9	\$ 37.6	\$ 107.1
Consists of:				
Distributable cash before extraordinary item	\$ (1.7)	\$ 21.9	\$ 37.6	\$ 93.1
Distributable cash from extraordinary item	–	14.0	–	14.0
	\$ (1.7)	\$ 35.9	\$ 37.6	\$ 107.1
Distributions paid	\$ 20.8	\$ 20.6	\$ 62.3	\$ 61.7
Per weighted average Stapled Unit amounts: <i>(Dollars per Stapled Unit)</i>				
Basic and diluted earnings available for distribution before provision for future income taxes	\$ (0.09)	\$ 0.43	\$ 0.33	\$ 1.12
Basic and diluted distributable cash:				
– before extraordinary item	\$ (0.02)	\$ 0.29	\$ 0.49	\$ 1.22
– from extraordinary item	–	0.18	–	0.18
	\$ (0.02)	\$ 0.47	\$ 0.49	\$ 1.40
Distributions paid	\$ 0.27	\$ 0.27	\$ 0.81	\$ 0.81
Per weighted average common share amounts: <i>(Dollars per common share)</i>				
Basic and diluted earnings (loss) before extraordinary item	\$ (0.22)	\$ 0.05	\$ (0.34)	\$ 0.21
Extraordinary item, net of taxes	–	0.11	–	0.11
Basic and diluted net earnings (loss)	\$ (0.22)	\$ 0.16	\$ (0.34)	\$ 0.32

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Outlook

TimberWest is expecting a stronger quarter to end the year. Our plans see us generating sufficient cash to fund our quarterly distribution as a result of more real estate transactions and lower operating costs. That said, our biggest challenge all year long has been the decline in our average log sales realizations in both domestic and export markets. Export prices have suffered as a result of the stronger Canadian dollar while log prices on the coast of BC reflect the poor financial condition and profitability of a sawmilling industry that is contracting. Soft log prices are expected to follow us into the fourth quarter.

While we will continue to experience top-line pressure for the balance of the year, cost improvements are offsetting some of this. We still expect to end the year with costs ahead of 2004 and are very pleased with the progress our contractors have made in the transition to our new business model.

Most real estate markets on Vancouver Island are strong and the Company is pursuing some larger real estate transactions with its higher and better use properties at this time. While we anticipate that some of these transactions will close during the fourth quarter, we do not expect the more significant transactions to close until early 2006. We are patient sellers and want to ensure that we are maximizing the value from all of our real estate opportunities.

Unlike the previous fiscal year, when we comfortably exceeded our distributable cash requirements, and despite expectations for a better fourth quarter, TimberWest will not cover its distribution requirements for the year 2005. However, the Company remains in a strong financial condition, is progressing with its program to become an unencumbered, pure-play timberland company, and will pay out its full required distributions for 2005.

As we look forward to 2006, we foresee similar operating results and market conditions. We will continue with our cost cutting efforts, we will take advantage of the strong real estate market on Vancouver Island and we will pursue the disposition of non-core assets to cover our distribution requirements as the coastal BC industry continues with its reforms.

Quarterly Conference Call

TimberWest will hold a conference call at 8:00am PDT (11:00am EDT) on Thursday, October 27, 2005, to discuss results of the third quarter of 2005. To access the conference call, listeners should dial 1-800-774-7358. For those unable to participate in the live call, a recording of the call will be available until November 10, 2005, and can be accessed at 1-800-558-5253 using code 21261763. The conference call will also be broadcast live over the internet via TimberWest's website home page at <http://www.timberwest.com>. The webcast will be archived and available for an additional 90 days.

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Consolidated Statements of Operations

(in millions of dollars)
Unaudited

	Three months ended September 30		Nine months ended September 30	
	2005	2004	2005	2004
Sales	\$ 119.7	\$ 119.9	\$ 325.9	\$ 362.1
Operating costs and expenses:				
Cost of products sold	99.1	90.7	259.3	264.7
Depreciation, depletion and amortization	2.3	2.3	6.6	7.7
Selling, administrative and other	4.3	3.9	10.9	10.3
	105.7	96.9	276.8	282.7
Operating earnings	14.0	23.0	49.1	79.4
Interest expense:				
Series A Subordinate Notes owned by unitholders	20.8	20.6	62.4	61.8
Long-term debt	4.3	3.5	10.8	10.5
Short-term debt	0.1	0.4	1.1	1.5
	25.2	24.5	74.3	73.8
Amortization of deferred financing costs	0.2	0.2	0.6	0.9
Other (income) expense	1.1	(0.3)	(4.7)	(5.5)
Termination of fibre supply agreement	15.0	–	15.0	–
	41.5	24.4	85.2	69.2
Earnings (loss) before income taxes and extraordinary item	(27.5)	(1.4)	(36.1)	10.2
Income tax recovery	(10.5)	(5.0)	(10.0)	(5.7)
Earnings (loss) before extraordinary item	(17.0)	3.6	(26.1)	15.9
Extraordinary item – expropriation settlement proceeds, net of applicable income taxes	–	9.0	–	9.0
Net earnings (loss)	\$ (17.0)	\$ 12.6	\$ (26.1)	\$ 24.9
<i>Basic and diluted earnings (loss) per common share before extraordinary item</i>	\$ (0.22)	\$ 0.05	\$ (0.34)	\$ 0.21
<i>Extraordinary item, net of applicable income taxes</i>	–	0.11	–	0.11
<i>Basic and diluted net earnings (loss) per common share</i>	\$ (0.22)	\$ 0.16	\$ (0.34)	\$ 0.32

Consolidated Statements of Retained Earnings

(in millions of dollars)
Unaudited

	Three months ended September 30		Nine months ended September 30	
	2005	2004	2005	2004
Retained earnings, beginning of period	\$ 19.3	\$ 17.0	\$ 28.4	\$ 4.7
Net earnings (loss) for the period	(17.0)	12.6	(26.1)	24.9
Retained earnings, end of period	\$ 2.3	\$ 29.6	\$ 2.3	\$ 29.6

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Consolidated Balance Sheets

(in millions of dollars)

	As at September 30, 2005 <i>Unaudited</i>	As at December 31, 2004 (restated)
Assets		
Current assets:		
Cash	\$ -	\$ 1.6
Accounts receivable	21.2	14.7
Inventories	69.9	62.2
Prepaid expenses and other current assets	12.3	5.7
Future income taxes	2.8	3.8
	106.2	88.0
Property, plant and equipment, net	1,323.4	1,334.3
Other assets	12.4	12.2
	\$ 1,442.0	\$ 1,434.5
Liabilities and Unitholders' Equity		
Current liabilities:		
Demand credit facility	\$ 0.5	\$ -
Revolving credit facilities	-	22.0
Accounts payable and accrued liabilities	46.4	35.5
Distribution payable	20.8	20.7
	67.7	78.2
Revolving credit facilities	49.5	-
Debentures	195.0	195.0
Long-term silviculture liability	3.1	2.8
Non-pension post-retirement benefits	28.3	27.1
Future income taxes	212.7	224.3
	556.3	527.4
Series A Subordinate Notes owned by unitholders	693.9	690.5
	1,250.2	1,217.9
Unitholders' equity:		
Share capital, consisting of common and preferred shares	188.8	187.8
Contributed surplus	0.7	0.4
Retained earnings	2.3	28.4
	191.8	216.6
	\$ 1,442.0	\$ 1,434.5

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Consolidated Statements of Cash Flows

(in millions of dollars)
Unaudited

	Three months ended September 30		Nine months ended September 30	
	2005	2004	2005	2004
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$ (17.0)	\$ 12.6	\$ (26.1)	\$ 24.9
Items not involving cash:				
Depreciation, depletion and amortization	2.5	2.5	7.2	8.6
(Gain) loss on sale of property, plant and equipment	0.1	(0.5)	(6.2)	(5.9)
Future income tax recovery	(10.7)	(0.2)	(10.6)	(1.1)
Other non-cash items	0.9	0.9	1.5	(0.8)
	(24.2)	15.3	(34.2)	25.7
Changes in non-cash working capital:				
Accounts receivable	7.0	1.1	(6.5)	(9.3)
Inventories	0.7	4.5	(7.7)	(10.5)
Prepaid expenses and other	(5.2)	(0.8)	(7.9)	2.1
Accounts payable and accrued liabilities	4.0	(2.3)	10.9	21.4
Distribution payable	–	–	0.1	0.1
	(17.7)	17.8	(45.3)	29.5
Financing activities:				
Issuance of Stapled Units on exercise of options:				
Series A Subordinate Notes	0.2	0.9	3.4	3.0
Share capital	–	0.1	1.0	0.8
	0.2	1.0	4.4	3.8
Forfeited distribution equivalent awards	0.1	–	0.3	–
Demand credit facility	0.5	–	0.5	–
Revolving credit facilities	13.2	(11.2)	27.5	(42.0)
	14.0	(10.2)	32.7	(38.2)
Investing activities:				
Proceeds from sale of property, plant and equipment	2.4	2.7	33.0	21.3
Additions to property, plant and equipment	(0.2)	(2.5)	(22.5)	(4.5)
Other assets	1.5	(0.4)	0.5	(0.7)
	3.7	(0.2)	11.0	16.1
Increase (decrease) in cash	–	–	(1.6)	7.4
Cash, beginning of period	–	–	1.6	–
Cash, end of period	\$ –	\$ –	\$ –	\$ 7.4
Supplemental information:				
Interest on Series A Subordinate Notes paid to unitholders	\$ 20.8	\$ 20.6	\$ 62.3	\$ 61.7
Other interest paid	\$ 0.8	\$ 0.5	\$ 8.6	\$ 8.6
Income taxes paid	\$ 0.2	\$ 0.2	\$ 0.5	\$ 0.6

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Supplemental Information

Unaudited

	Three months ended September 30		Nine months ended September 30	
	2005	2004	2005	2004
Sales by Product <i>(in millions of dollars)</i>				
Log sales				
Domestic	\$ 37.0	\$ 42.4	\$ 106.4	\$ 143.5
Export – Asia	27.4	24.3	83.9	82.2
Export – US	22.0	14.6	48.8	38.1
Total log sales	86.4	81.3	239.1	263.8
Lumber	23.4	30.4	64.6	77.7
Wood chips and other	7.5	6.0	17.3	17.2
Real estate	2.4	2.2	4.9	3.4
	\$ 119.7	\$ 119.9	\$ 325.9	\$ 362.1
Sales Volume				
Logs (<i>thousand m³</i>)				
Domestic	537.8	510.5	1,461.2	1,666.9
Export – Asia	203.6	154.5	618.5	514.1
Export – US	246.9	139.0	544.9	360.7
	988.3	804.0	2,624.6	2,541.7
Lumber (<i>million fbm</i>)	42.9	46.6	119.0	117.8
Log Sales Mix (<i>thousand m³</i>)				
Fir	507.4	369.9	1,491.0	1,446.8
Hem-bal	321.3	264.5	687.6	602.9
Cedar	92.4	76.5	264.6	256.1
Other	67.2	93.1	181.4	235.9
	988.3	804.0	2,624.6	2,541.7
Production Volume				
Logs (<i>thousand m³</i>)				
Public tenures	277.1	201.8	585.9	743.3
Private timberlands	773.4	559.0	2,254.5	1,953.6
	1,050.5	760.8	2,840.4	2,696.9
Lumber (<i>million fbm</i>)	47.4	48.4	123.5	131.6
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)* <i>(in millions of dollars)</i>				
Net earnings (loss)	\$ (17.0)	\$ 12.6	\$ (26.1)	\$ 24.9
Add (deduct):				
Interest on Series A Subordinate Notes paid to unitholders	20.8	20.6	62.4	61.8
Interest on long-term debt	4.3	3.5	10.8	10.5
Interest on short-term debt	0.1	0.4	1.1	1.5
Income tax expense (recovery)	(10.5)	(5.0)	(10.0)	(5.7)
Depreciation, depletion and amortization	2.3	2.3	6.6	7.7
Amortization of deferred financing costs	0.2	0.2	0.6	0.9
Extraordinary item, net of income taxes	–	(9.0)	–	(9.0)
EBITDA	\$ 0.2	\$ 25.6	\$ 45.4	\$ 92.6

* EBITDA does not have a standardized meaning prescribed by Canadian generally accepted accounting principles and may not be comparable to similar measures presented by other companies. Management believes that the presentation of this measure will enhance an investor's understanding of the Company's operating performance.

TIMBERWEST FOREST CORP.

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 2.5 million m³ of logs, are located on Vancouver Island and predominantly support the growth of Douglas fir forests, a premium species used for structural purposes. TimberWest runs fully-contracted harvesting operations. With approximately 70% of the Company's logging now being done in second-growth stands, TimberWest leads the industry in the harvest of second-growth timber. Third party auditors have certified that the management of the Company's private forest land conforms to the objectives and performance measures of the American Forest and Paper Association's Sustainable Forestry Initiative (SFI[®]). TimberWest also owns renewable Crown harvest rights to 0.7 million m³ of logs per year and operates a lumbermill located near Campbell River, BC. In addition, approximately 6,000 hectares of the Company's private forest lands have been identified as having greater value as real estate properties and 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, harvesting fee and trade policy changes and other actions by governmental authorities, 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.

Additional Information

TimberWest Stapled Units are listed on the Toronto Stock Exchange under the symbol "TWF.UN".

For further information please contact:

Bev Park
Vice-President, Finance and Chief Financial Officer
Telephone: (604) 654-4600
Facsimile: (604) 654-4662
Email: invest@timberwest.com

Visit our website at: <http://www.timberwest.com>.