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TimberWest Forest Corp. Announces Improved 2010 Fourth Quarter and Annual Results

Vancouver (BC) – During 2010 TimberWest delivered four consecutive quarters of positive EBITDA. Total EBITDA for 2010 was \$21.2 million. This is a \$28.5 million improvement over the (\$7.3) million of EBITDA generated in 2009.

Driving these improved results is increased demand and prices for fibre in Asia. Strong economic growth in China and Korea, improved market access, and a decline in Russian log supply, has provided a profitable and sustainable platform for TimberWest. 2010 marks the first year when more than half of the Company's log sales volumes were into international markets.

(in millions of dollars except where otherwise noted)(unaudited)	YTD 2010	Q4 2010	YTD 2009	Q4 2009
Log Sales	\$ 216.8	\$ 51.8	\$ 125.7	\$ 40.1
Sales – real estate	14.2	2.7	15.1	0.3
Operating earnings (loss)	16.7	4.3	(13.0)	(3.1)
Distributable cash	(6.8)	(3.2)	(34.7)	(10.2)
EBITDA	21.2	5.7	(7.3)	(1.1)
Total liquidity	102.5	102.5	52.8	52.8
Timberlands				
Realizations \$/ m ³ CAD	73	72	70	69
Sales Volumes – million m ³	3.0	0.7	1.8	0.6
Production costs \$/ m ³	63	64	70	62
Production Volumes – million m ³	2.5	0.7	1.5	0.6
Couverdon				
Acres sold	2,959	242	3,493	34
Price per acre	\$ 4,390	10,344	3,803	8,824

The Company ended the year with improved liquidity and a stronger balance sheet with net debt at \$103 million, an improvement of \$47.8 million from 2009.

“As we look forward, softwood demand in China is projected to increase and their existing fibre supply gap is expected to persist. Additionally, demand from our largest market, Japan, is expected to remain strong and pricing in that market to remain stable. Furthermore, log demand in the US is expected to gradually recover with a slow but steady improvement in the US housing market. With demand increasing in all markets, over time the supply of logs will become increasingly acute. This will become increasingly severe as supply restrictions caused by the mountain pine beetle epidemic become progressively felt,” said Paul McElligott, President and CEO of TimberWest.

Subsequent to year end, on February 9, 2011, the Company acquired 7,678 hectares of private timberland located adjacent to the Company's existing private timberlands on southern Vancouver Island from Western Forest Products Inc. The purchase price is \$21.9 million and will be funded through the Company's existing credit facility. Closing is subject to customary conditions.

Subsequent to the year end, on January 17, 2011, the Company paid the July 15, 2009 deferred distribution on the Series A Subordinate Note of the Stapled Units by issuance of 785,854 additional Stapled Units. The terms of the convertible debenture trust indenture provide that the conversion privilege will be adjusted so that each debenture holder will be entitled to receive Stapled Units as if they had converted their convertible debentures into Stapled Units immediately prior to the deferred interest payment by issuance of Stapled Units. There is no adjustment to the conversion price unless the cumulative effect would change the conversion price by at least 1%. The cumulative effect on the conversion price of the April 15, 2009 and the July 15, 2009 deferred interest payments each in the amount of \$3.5 million paid by issuance of Stapled Units on October 15, 2010 and January 17, 2011, respectively, is 1.8% and results in a conversion price adjustment from \$3.50 to approximately \$3.44.

In April, 2011, the Company will pay deferred distributions in the amount of \$24.5 million by issuing additional Stapled Units. The issuance of these additional Stapled Units will result in a further reduction to the conversion price of the convertible debentures. The Company will determine on a quarterly basis as to whether deferred distributions will be paid in cash or by the issuance of additional Stapled Units.

Forward Looking Statements

The statements which are not historical facts contained in this report 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, 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.

Quarterly Conference Call

TimberWest will hold a conference call at 9:00am (Pacific) on Friday, February 11, 2011, to discuss results of the fourth quarter. To access the conference call, listeners should dial 1-800-381-7839. For those unable to participate in the live call, a recording of the call will be available until February 25, 2011, and can be accessed at 1-800-558-5253 using code 21508715. 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.

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

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About TimberWest

TimberWest Forest Corp. is uniquely positioned as western Canada's largest private timber and land management company. The Company owns in fee simple approximately 319,000 hectares or 787,000 acres of private land and is in the business of selling timber products and real estate.