

FOR IMMEDIATE RELEASE  
June 7, 2011

**TIMBERWEST FOREST CORP. SAYS “GO-SHOP” PROCESS INDICATES  
THAT BID BY BCIMC AND PSP INVESTMENTS WILL MAXIMIZE VALUE;**

**ISS AND GLASS LEWIS RECOMMEND THAT TIMBERWEST UNITHOLDERS  
VOTE IN FAVOUR OF PROPOSED ACQUISITION AT UPCOMING  
ANNUAL GENERAL AND SPECIAL MEETING**

VANCOUVER (BC) – TimberWest Forest Corp. (TSX: TWF.UN) (“TimberWest” or the “Company”) announced today that its 60-day “go-shop” solicitation process has not yielded a superior proposal, indicating that the proposed acquisition of the Company by two leading Canadian pension funds will deliver maximum value to unitholders.

The Company also announced that leading independent proxy advisory firms ISS Governance Services and Glass Lewis & Co., LLC have each published a report recommending that TimberWest unitholders vote in favour of the proposed transaction.

As previously announced on April 11, 2011, the Company has entered into a definitive agreement (the “Agreement”) with British Columbia Investment Management Corporation and the Public Sector Pension Investment Board (together, the “Purchasers”) pursuant to which the Purchasers have agreed to acquire TimberWest for \$1.03 billion in cash, including assumed debt, or \$6.16 in cash per stapled unit (the “Transaction”). Under the terms of the Agreement, TimberWest is entitled to actively solicit superior proposals from third parties for a period of 60 calendar days ending on June 9, 2011.

During the “go-shop” process to date, under the supervision of the special committee of independent directors of the Company formed to evaluate the Transaction and any alternative proposals (the “Special Committee”), BMO Capital Markets, the Company’s financial advisor, contacted 31 parties, five of whom entered into a confidentiality and standstill agreement with the Company and were provided access to the Company’s electronic data room. These five parties included both strategic and financial entities from three different countries. The Company set a deadline for parties to submit a proposal in the “go-shop” period. That date has now passed and no superior proposal has been received and the Company and BMO Capital Markets are no longer in active dialogue with any prospective purchaser. While it is still possible that a superior proposal will emerge prior to June 9, 2011, the Company does not expect this to occur.

On June 14, 2011 at 10:00 a.m. (Vancouver time), TimberWest will hold an annual general and special meeting of securityholders to vote on and approve, among other things, the Transaction (the “Meeting”). The Meeting will take place at the Versailles “B” Ballroom at the Sutton Place Hotel, 845 Burrard Street, Vancouver, British Columbia.

**The Board of Directors of the Company recommends that securityholders vote FOR all resolutions at the Meeting.**

**Key Reasons to Vote in Favour for the Transaction Include:**

- **Transaction represents an attractive offer for securityholders**
  - The purchase price represents a 25% premium over the 20-day volume-weighted average unit price prior to announcement
  - Cash consideration provides certainty of value to securityholders
- **Robust “go-shop” solicitation process has not yielded a superior proposal**
  - The Company and BMO Capital Markets have been actively soliciting superior proposals since the Transaction was announced on April 11, 2011
  - The absence of a superior proposal indicates that Transaction maximizes unitholder value
- **Fairness opinions and independent valuation received from prominent financial advisors**
  - BMO Capital Markets and UBS Securities have each provided an opinion to the effect that the consideration to be received by the unitholders pursuant to the Transaction is fair, from a financial point of view, to the unitholders
  - The purchase price is within the fair market value range of \$5.87 to \$6.66 per stapled unit determined by UBS Securities
- **Role and recommendation of independent Special Committee**
  - The Special Committee oversaw the conduct of arm’s length negotiations between the Company and the Purchasers, including the negotiation of the key economic and other terms of the Transaction
  - Approval of Transaction unanimously recommended by Special Committee

All Company securityholders may vote via the internet by following the instructions contained on their Voting Instruction Form or Proxy. Additional information regarding the Transaction and instructions for voting is contained in the management information circular dated May 13, 2011 (the “Circular”) that has been mailed to the Company’s securityholders in connection with the Meeting. The Circular and other meeting materials have been filed on SEDAR and are available under the Company’s profile at [www.sedar.com](http://www.sedar.com) as well as on the Company’s website at [www.timberwest.com](http://www.timberwest.com). **In view of the labour disruptions being experienced by Canada Post in certain regions, securityholders are encouraged to vote via the internet to ensure all votes are received prior to the voting deadline of 10:00 a.m. (Vancouver Time) on June 10, 2011.**

If you have any questions or require assistance voting your shares, please call our proxy solicitor, Laurel Hill Advisory Group at 1-877-452-7184 / Collect 416-637-4661 or via email at [assistance@laurelhill.com](mailto:assistance@laurelhill.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.

For further information please contact:

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

## ***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 proposed acquisition of TimberWest by the Purchasers; expectations regarding the performance of TimberWest following such an acquisition; TimberWest's right to solicit superior proposals during the "go-shop" period; and approval of the Transaction by TimberWest unitholders. 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. In addition, the completion of the Transaction, or of any alternative transaction, is or would be conditional upon a number of factors, many of which are outside of TimberWest's control. There is no assurance that the Transaction or any alternative transaction will be completed on its terms or at all.*