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TimberWest Forest Corp. Announces Improved First Quarter Results

Vancouver (BC) – Higher volumes and prices in Asia and lower costs resulted in much stronger operating results for TimberWest in the first quarter of 2011. The Company reported EBITDA of \$16.2 million for the quarter, a \$12.8 million increase over Q1, 2010. Distributable cash for the quarter was \$9.1 million, a \$12.0 million improvement over the Distributable Cash loss \$2.9 million in Q1, 2010.

(in millions of dollars except where otherwise noted)(unaudited)	Q1 2011	Q1 2010
Log Sales	\$ 74.4	\$ 49.4
Sales – real estate	-	1.0
Operating earnings (loss)	14.0	4.7
Distributable cash	9.1	(2.9)
EBITDA	16.2	3.4
Total liquidity	100.5	53.0
Timberlands		
Realizations \$/ m ³ CAD	83	72
Sales Volumes – million m ³	0.9	0.7
Production costs \$/ m ³	60	62
Production Volumes – million m ³	0.7	0.6
Couverdon		
Acres sold	Nil	Nil
Price per acre	Nil	Nil

The Company augmented its private timberland holdings on Vancouver Island with the acquisition of 7,678 hectares (18,973 acres) of private land from Western Forest Products Inc. for \$22.4 million during the quarter. These lands are largely adjacent to existing operations and the Company believes the acquisition is very accretive to unitholder value. Also, given the ongoing improvements in Asian log markets, CEO Paul McElligott, said “this acquisition was particularly well timed. We have made excellent progress integrating these lands into our operation with road building and timber harvesting activities already underway in the second quarter.”

Real estate registered no sales during the quarter, which is a typical seasonal pattern for land sales. That said, the Company noted more than \$6 million in non-core HBU land sales are under contract for closing in the second quarter.

In the near term, profitability is expected to improve as higher sales realizations are achieved by TimberWest in Asia. In the long term, the eventual rebound in U.S. housing and the supply constraints created as a result of the Mountain Pine Beetle infestation and reduced Russian timber shipments, the fibre deficit is expected to become a global phenomenon. This will, in turn, increase demand for timber and further improvements in the Company’s profitability. Until that time comes, the Company says it will continue to focus on extracting the highest margins possible by being vigilant on costs and capitalizing on the emerging revenues from its land base.

On April 11, 2011, TimberWest announced that it has entered into a definitive agreement under which two leading Canadian pension funds, British Columbia Investment Management Corporation (“bcIMC”) and the Public Sector Pension Investment Board (“PSPIB”), have agreed to acquire TimberWest for \$1.03 billion in cash, including assumed debt.

Under the terms of its agreement with bcIMC and PSPIB, TimberWest has a “go-shop” period until June 9, 2011 during which it is permitted to solicit a superior proposal. Following the public announcement of the transaction, the Company initiated this “go-shop” process, with BMO Capital Markets contacting 31 prospective purchasers, of whom eight have expressed interest and five have entered into a confidentiality and standstill agreement with the Company and have been provided access to the Company’s management and electronic data room.

There can be no assurance that the Company will be successful in soliciting a superior proposal during its go-shop process or that, if made, any superior proposal will be completed upon its terms and conditions or at all. In the absence of a superior proposal, the transaction will proceed by way of a statutory plan of arrangement and will be subject to court approval and approval by 66 2/3% of the votes cast by unitholders at the Special Meeting on June 14, 2011, and other customary closing conditions, including regulatory approvals.

Further details regarding the transaction and the Special Meeting are contained in the Information Circular, which has been mailed to unitholders and is available at www.timberwest.com and under the Company’s profile at www.sedar.com.

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 Tuesday, May 24, 2011, to discuss results of the first quarter. To access the conference call, listeners should dial 1-800-954-0691. For those unable to participate in the live call, a recording of the call will be available until June 7, 2011, and can be accessed at 1-800-558-5253 using code 21522226. 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 327,000 hectares or 808,000 acres of private land and is in the business of selling timber products and real estate.