



October 25, 2000

TimberWest gives closure notice at Cowichan Lumbermill

TimberWest announced today that it will close the Cowichan Lumbermill in Youbou, BC, effective January 31, 2001, because continued investment in and operation of the mill does not fit with TimberWest's long-term strategy of focusing on its core private timberlands.

"This was a difficult decision given our long history with the people at this mill. I'd like to take this opportunity to thank employees for their contributions over the years, especially during this recent period of uncertainty," said Scott Folk, TimberWest President and CEO. Cowichan Lumbermill began operating in 1929.

Folk said: "Last week we received a letter from Bill Routley, President of Local 1-80, IWA Canada, expressing an interest in examining the feasibility of an employee purchase of Cowichan Lumbermill and TFL 46. We will be happy to work with the union in this feasibility analysis. But we are proceeding with closure notice due to the uncertain outcome of this initiative."

Folk added: "We will be working with the union and Industrial adjustment Committee to ensure that our people are treated fairly." Approximately 230 employees will be affected by the closure.

Over the past year, TimberWest conducted two sales processes in an attempt to sell the Cowichan Lumbermill and TFL 46. "While we were hopeful we could attract a buyer who would bring new expertise and capital to the running of the mill, we did not receive any proposal that matched our criteria in terms of financial and fibre expectations and employment terms," Folk said.

TimberWest will continue to operate the mill as required to fill its order file until January 31, 2001. The company will continue to operate on TFL 46 according to approved Forest Development Plans.