



**West Fraser Timber Co. Ltd**

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## **NEWS RELEASE**

### **WEST FRASER TIMBER CO. LTD. ("WFT")**

**Friday, January 29, 2010**

#### **West Fraser Announces Amendment to Credit Agreement**

Vancouver, BC – **West Fraser Timber Co. Ltd.** announced today that it has concluded an amendment to its existing credit agreement which has a \$600 million revolving term credit facility committed until March 31, 2012. The amendment helps ensure that the committed credit facility will be available for strategic investment even in the context of uncertain market conditions. As well, the amendment provides increased flexibility in its capital structure and provides greater access to certain credit and capital markets.

The amendment raises the threshold debt to capitalization ratio, at which a specified interest coverage ratio must be met, from 37.5% to 42.5%. The amendment also provides that West Fraser may incur or issue certain subordinated debt which is excluded from the calculation of this debt to capitalization ratio.

In 2009 the Company reduced its total debt by approximately \$92 million and at the end of the year its debt to total capitalization ratio was approximately 24%.

In connection with the amendment, West Fraser will provide security over substantially all of its property and assets in Canada and the United States. Pursuant to the terms of the indenture governing West Fraser's US\$300 million notes, West Fraser will, to the extent required, secure such notes equally with the credit agreement for so long as the credit agreement is secured. Under the amendment, security will be released and discharged when West Fraser achieves corporate credit ratings of not less than BBB- by Standard and Poor's and Baa3 by Moody's. The amendment will not restrict West Fraser from issuing additional secured notes or debentures provided such additional indebtedness complies with pre-existing limits in the credit agreement.

This News Release contains certain statements about potential future developments, in particular, those relating to the amendments to the credit agreement. These are forward-looking statements and are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties including the expected benefits of the amendment and satisfying conditions to the release of any security. Actual outcomes and results may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and West Fraser undertakes no obligation to publicly revise them to reflect subsequent events or circumstances except as required by applicable securities laws.

West Fraser is an integrated wood products company producing lumber, LVL, MDF, plywood, pulp and newsprint. The Company has operations in western Canada and the southern United States.

West Fraser shares trade on the Toronto Stock Exchange under the symbol: "WFT".

**For more information:**

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