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NEWS RELEASE

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

October 28, 2009

West Fraser to Permanently Close Eurocan Operation in Kitimat, BC

Vancouver, BC – After many years of ongoing efforts to reduce operating costs and improve results at West Fraser's Eurocan paper mill in Kitimat, BC, the company announced today that it will permanently close the unprofitable operation. The closure is expected to take place on January 31, 2010.

"We deeply regret the impact the mill closure will have on our 535 employees, their families and the community and we will ensure those who are affected are treated with fairness and respect," said Hank Ketcham, West Fraser's Chairman, President and CEO.

The 40-year-old mill, which produces linerboard and kraft paper, has historically struggled with high costs and negative returns. A contributing factor to the mill's problems in recent years has been sawmill curtailments in the region, which have reduced the supply of lower-cost residual wood chips to Eurocan and increased the mill's reliance on more expensive whole log chips.

In addition to these ongoing challenges, the mill's situation took a dramatic negative turn during the past year. Since December of 2008 Eurocan has experienced a drop of approximately 40 per cent in the net selling price of its products. This decline has been driven by the global economic slowdown, the rise of the Canadian dollar and severe competition from low-cost paper producers in other countries.

"A deep and thorough review by the company looked at ways to offset the steep decline in Eurocan's financial results," said Mr. Ketcham. "Unfortunately, even with the most optimistic projections the business fundamentals of the operation have deteriorated to the point where permanent closure is the only reasonable alternative."

West Fraser will record an asset impairment charge in the third quarter of 2009 of \$138 million related to the property plant and equipment and certain other assets at the Kitimat facility. In addition, West Fraser will incur costs over the next several quarters related to the shutdown of the facility. The total of these costs is estimated to be approximately \$70 million.

This News Release and the accompanying Backgrounder contain certain statements about potential future developments, in particular, the company's decision to close its Eurocan operation at Kitimat, BC and the related asset-impairment charge and costs. 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 estimated cost of shutting down the facility. Actual outcomes and results may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company 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, linerboard, kraft paper 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".

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BACKGROUNDER TO OCTOBER 28, 2009 NEWS RELEASE

EUROCAN MILL CLOSURE

October 28, 2009

Eurocan Background

- ***Current market conditions:*** Since December of 2008 the net selling price of Eurocan's products has dropped approximately 40 per cent. The decline has been driven by a number of factors, including the global economic slowdown, the rise of the Canadian dollar and severe competition from low-cost paper producers in other countries.
- ***Impact of exchange rate:*** Eurocan's revenues are extremely sensitive to the Canada-U.S. exchange rate. For every penny increase in the Canadian dollar, revenues are reduced by approximately \$3 million per year. Over the past year the dollar has increased by as much as 15 cents against its American counterpart and this has severely reduced the mill's revenues.
- ***Impact of BC's changing wood fibre market:***
 - Residual wood chips (a by-product of sawmill operations) have traditionally provided a lower-cost, local source of fibre for Eurocan.
 - In recent years, with sawmill shutdowns and production curtailments in the surrounding area, there has been a growing shortage of lower-cost fibre available to the Eurocan mill.
 - Today about 20 per cent of Eurocan's fibre needs are being met with whole log chips, which are significantly more expensive than residual chips.
 - To remain viable, sawmills need to have long term, secure customers for their wood chips. With the closure of Eurocan, residual chips from West Fraser's sawmills in Houston, Smithers and Fraser Lake will now go to pulp mills in Prince George and Quesnel.
 - The Mountain Pine Beetle infestation is expected to have a long-term negative impact on the province's softwood lumber production, which will reduce the availability and increase the cost of fibre for the pulp and paper industry in the Northern Interior.
- ***Jobs lost as a result of permanent closure:*** approximately 535 (of approximately 8,500 West Fraser employees)
- ***Location:*** 640 km north of Vancouver on the BC coast
- ***Age of mill:*** 40 years
- ***Ownership history:*** Eurocan was built in the late 1960s. West Fraser became a joint venture partner in the 1980s and then acquired the operations in 1993.

- **Products:** about 75 per cent of Eurocan's paper production is linerboard (a component of corrugated cardboard boxes) and about 25 per cent is kraft paper (used in a variety of applications, including cement packaging)
- **Production:** Eurocan produces approximately 450,000 tonnes of paper products each year, or about 2 per cent of total Canadian pulp and paper production.

Industry Statistics

- **Total Canadian annual pulp and paper production:** 20.2 million tonnes
- **Decline in pulp and paper production from mill closures, shutdowns and production curtailments in Canada over the last ten years:** 10 million tonnes
- **Decline in packaging-grade paper production over the past 10 years:** 40 per cent

Eurocan Closure Timetable

- **Notice of closure:** given on October 28, 2009
- **Target mill closure date:** January 31, 2010