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NEWS RELEASE

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

Monday, October 27, 2008

Attention: Business & Financial Editors
Financial Analysts

West Fraser Announces Third Quarter Results

Vancouver, BC – **West Fraser Timber Co. Ltd.** today reported a loss of $2 million or $0.05 per share on sales of $848 million in the third quarter of 2008. For the first nine months of 2008, the Company reported a loss of $68 million or $1.58 per share, on sales of $2,443 million.

These results compare with previous periods as follows:

($ million except earnings per share ("EPS"))	2008			2007	
	YTD	**Q3**	**Q2**	**YTD**	**Q3**
Sales	2,443	848	823	2,534	827
EBITDA[1]	118	78	71	96	27
Operating earnings (loss)	(90)	8	5	(98)	(40)
Earnings (loss)	(68)	(2)	3	(31)	(12)
EPS ($)	(1.58)	(0.05)	0.08	(0.73)	(0.28)

Hank Ketcham, West Fraser's Chairman, President and CEO stated: "Our results continue to reflect very challenging times. We continue to focus on cost control, efficiencies and cash preservation in response to this very severe downturn."

Operational Results

The Company's lumber operations produced EBITDA for the quarter of $29 million and negative $3 million for the first nine months, compared to EBITDA of negative $27 million for the same quarter of 2007 and negative $37 million for the first nine months of 2007, reflecting a decline in log costs and less significant net inventory adjustments in the later periods.

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[1] *Throughout this News Release, reference is made to EBITDA (defined as operating earnings plus amortization). Management of the Company believes that, in addition to earnings, EBITDA is a useful performance indicator and is a useful complementary measure of cash available prior to debt service, capital expenditures and income taxes. However, EBITDA is not a generally accepted earnings measure under Canadian generally accepted accounting principles ("GAAP") and does not have a standardized meaning prescribed by Canadian GAAP. Investors are cautioned that EBITDA should not be considered as an alternative to earnings or cash flow as determined in accordance with Canadian GAAP. As there is no standardized method of calculating EBITDA, the Company's method of calculating EBITDA may differ from the methods used by other entities and, accordingly, the Company's use of that term may not be directly comparable to similarly titled measures used by other entities.*

Pulp & paper operations generated EBITDA of $45 million compared to $24 million for the previous quarter as a result of price improvements and the timing of certain maintenance shutdowns.

Panel operations generated EBITDA for the quarter of $5 million compared to $7 million in the previous quarter and $19 million in the third quarter of 2007 as the Canadian plywood market weakened and MDF and LVL facilities continued to operate on a reduced-shift basis.

Outlook

The financial and credit crisis accelerated late in the current quarter which has increased uncertainty with respect to West Fraser's key markets. Prices for most of the Company's products are either under downward pressure or are at historically low levels.

"The nature and length of this downturn is unprecedented for our industry. Given the current state of the U.S. financial and credit markets, we do not see any significant improvement in the near term." said Mr. Ketcham.

The Company

West Fraser is an integrated wood products company producing lumber, LVL, MDF, plywood, pulp, linerboard, kraft paper and newsprint. The Company has approximately 9,000 employees and operations in western Canada and the southern United States.

Forward-Looking Statements

This News Release contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results. The latter, which are forward looking statements, 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. Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including those matters described in the 2007 annual Management's Discussion & Analysis under "Risks and Uncertainties" and 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.

Conference Call

Investors are invited to listen to the quarterly conference call on Tuesday, October 28, 2008 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time) by dialing 1-800-952-4972 (toll-free North America). The call may also be accessed through West Fraser's website at www.westfraser.com.

MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis by West Fraser's management ("MD&A") of West Fraser's financial performance during the third quarter of 2008 should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes included in this quarterly report and the 2007 annual MD&A included in the Company's 2007 Annual Report. Dollar amounts are expressed in Canadian currency, unless otherwise indicated.

The information in this interim MD&A is as at October 27, 2008, unless otherwise indicated.

Matters Affecting Comparisons

This interim MD&A for the third quarter of 2008 (the "current quarter") includes certain comparisons of the results for each of the nine-month periods ended September 30 of 2008 and 2007, respectively. On March 31, 2007, the Company acquired 13 sawmills in the southern United States (the "U.S. Acquisition"). West Fraser's first quarter 2007 earnings do not include the results of those operations although they are reflected in later reporting periods and this should be taken into account when considering the year-to-date comparisons.

Production, Shipments and Financial Comparisons

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Production					
Lumber – MMfbm					
SPF	**867**	867	**2,595**	881	2,686
SYP	**384**	409	**1,249**	500	1,083
	1,251	1,276	**3,844**	1,381	3,769
Plywood – MMsf (3/8” basis)	**207**	207	**612**	193	576
MDF – MMsf (3/4” basis)	**60**	58	**179**	68	206
LVL – Mcf	**239**	274	**839**	520	1,899
BCTMP – Mtonnes	**157**	148	**455**	148	429
NBSK – Mtonnes	**118**	109	**348**	120	335
Linerboard and Kraft Paper – Mtonnes	**120**	95	**331**	110	304
Newsprint – Mtonnes	**31**	31	**94**	31	93
Shipments					
Lumber – MMfbm					
SPF	**861**	875	**2,580**	836	2,672
SYP	**398**	434	**1,267**	511	1,143
	1,259	1,309	**3,847**	1,347	3,815
Plywood – MMsf (3/8” basis)	**211**	209	**613**	185	570
MDF – MMsf (3/4” basis)	**53**	60	**174**	63	214
LVL – Mcf	**435**	334	**1,113**	507	1,775
BCTMP – Mtonnes	**108**	162	**428**	132	440
NBSK – Mtonnes	**125**	135	**371**	107	323
Linerboard and Kraft Paper – Mtonnes	**115**	94	**327**	90	297
Newsprint – Mtonnes	**31**	31	**94**	31	91
Financial Comparisons - $ millions					
Sales	**848**	823	**2,443**	827	2,534
EBITDA	**78**	71	**118**	27	96
Amortization	**(70)**	(66)	**(208)**	(67)	(194)
Operating earnings	**8**	5	**(90)**	(40)	(98)
Interest expense – net	**(8)**	(9)	**(27)**	(8)	(20)
Exchange gain (loss) on long-term debt	**(13)**	2	**(22)**	21	51
Other income (expense)	**10**	3	**21**	(3)	(7)
Income tax recovery	**1**	2	**50**	18	43
Earnings	**(2)**	3	**(68)**	(12)	(31)
Cdn. $1.00 converted to U.S. – average	**0.961**	0.990	**0.982**	0.954	0.904

Selected Quarterly Information

($ millions, except earnings per share ("EPS") amounts which are in $)

	Q3-08	Q2-08	Q1-08	Q4-07	Q3-07	Q2-07	Q1-07	Q4-06
Sales	**848**	823	772	782	827	948	759	727
Earnings	**(2)**	3	(68)	(3)	(12)	(14)	(5)	296
Basic EPS	**(0.05)**	0.08	(1.60)	(0.07)	(0.28)	(0.33)	(0.12)	6.93
Diluted EPS	**(0.05)**	0.08	(1.60)	(0.07)	(0.28)	(0.33)	(0.12)	6.87

Discussion & Analysis

The Company's earnings continue to be adversely affected by the continuing severe downturn in the U.S. housing market. Operating results did benefit from certain product price improvements compared to the previous quarter, notably SPF lumber, linerboard and newsprint. The Canadian dollar retreated from a high in mid-July of nearly US$1.00 to a low of less than US$0.93 in mid-September. A weaker Canadian dollar is a positive factor for the Company's Canadian operations. Late in the current quarter the SPF lumber benchmark price weakened and pulp shipments declined. The current financial crisis accelerated late in the current quarter and added to the uncertainty and negative outlook for North American and world economies.

Operating earnings for the current quarter improved compared to the same quarter of 2007 reflecting higher prices for linerboard, pulp and newsprint and lower log costs. Plywood prices were substantially lower reflecting a weaker Canadian housing market. The net impact on operating earnings of inventory write-downs to net realizable value was a reduction of $5 million in the current quarter compared to a reduction of $38 million in the third quarter of 2007.

Operating earnings for the first nine months of 2008 were generally comparable to those for the same period of 2007. Results were adversely affected by a stronger Canadian dollar in the later period, but this was substantially offset by the benefit of lower log costs and improved pulp, linerboard and newsprint prices. SPF lumber and plywood prices have generally averaged lower in 2008 compared to 2007. The first quarter of 2007 did not include the results of the operations acquired under the U.S. Acquisition, which was completed at the end of that quarter. The net impact on operating earnings of inventory write-downs to net realizable value was an increase of $7 million for the first nine months of 2008 and a reduction of $27 million for the first nine months of 2007.

Other Particulars

Other income includes gains on asset sales totalling $4 million for the current quarter and $8 million for the first nine months of 2008. For the corresponding periods of 2007, gains on asset sales totalled $4 million for the third quarter and $5 million for the first nine months. In addition, a $10 million gain from the termination of certain pulp supply contracts was recorded in the first quarter of 2007.

The change in value of the Canadian dollar relative to the U.S. dollar during the periods presented resulted in the following foreign exchange gains and losses:

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Exchange gain (loss) on long-term debt	**(13)**	2	**(22)**	21	51
Other[1]	**4**	(1)	**9**	(10)	(30)
Foreign exchange translation gain (loss) on investments in self-sustaining foreign operations	**18**	(3)	**30**	(31)	(90)

1. Represents the translation of other foreign currency-denominated items (included in other income (expense)).

Comparisons to Second Quarter of 2008

It is difficult to make a meaningful comparison of the results for the current quarter with those for the previous quarter because of the timing and significance of inventory adjustments which occurred in the first half of 2008. These adjustments were discussed in the MD&A for the previous quarter. However, the following key variances should be noted:

- SYP lumber production and shipments declined in the current quarter compared to the previous quarter as some U.S. operations curtailed operations due to log shortages caused by pricing and weather. This adversely affected the results of West Fraser's U.S. operations.

- The Company's pulp & paper results improved in the current quarter compared to the previous quarter as linerboard and newsprint prices strengthened and production and shipments of linerboard improved in the current quarter following a maintenance shutdown of the Kitimat facility in the previous quarter.

- The Canadian dollar weakened against the U.S. dollar in the later period which benefited the Company's Canadian operations.

Discussion & Analysis by Product Segment

Lumber Segment

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Sales - $ millions	**458**	423	**1,260**	481	1,400
EBITDA - $ millions	**29**	39	**(3)**	(27)	(37)
EBITDA margin - %	**6**	9	**-**	-	-
Operating earnings - $ millions	**(5)**	8	**(105)**	(60)	(125)
Benchmark prices (US$ per Mfbm)					
SPF #2 & Better 2 x 4[1]	**262**	233	**233**	260	257
SYP #2 West 2 x 4[2]	**309**	307	**304**	280	275

1. Source: Random Lengths – 2 x 4, #2 & Better – Net FOB mill.
2. Source: Random Lengths – 2 x 4 – Net FOB mill Westside.

The benchmark SPF price improved during the current quarter as industry production curtailments related to temporary summer shutdowns produced a more balanced market. However, as these curtailments ended late in the current quarter and demand declined, SPF lumber prices fell sharply. The benchmark SYP price remained more stable through the current quarter, aided mainly by production curtailments rather than increased demand. However, prices for wide-dimension SYP lumber weakened late in the quarter which adversely affected the results of the Company's U.S. operations.

West Fraser continues to focus on expanding its offshore lumber sales in light of the continuing weakness of North American markets and the financial constraints imposed by the Softwood Lumber Agreement. For the first nine months of 2008 sales to China and Japan have increased compared to the same period of 2007.

SYP lumber production and shipments declined in the current quarter compared to the same quarter of 2007, reflecting ongoing curtailments of certain U.S. operations which currently represent, on an annualized basis, approximately 330 MMfbm of U.S. lumber production.

Operating earnings for the current quarter for the lumber segment improved compared to the same quarter of 2007, reflecting a decline in log costs and less significant net inventory adjustments in the later period. Year-to-date losses reflect the continuing weakness of the U.S. housing market, although lower log costs and less significant net inventory adjustments in the later period resulted in an improvement from the same period of 2007, despite a stronger average Canadian dollar in the later period.

The net effect on operating earnings of log and lumber inventory write-downs is a reduction of $6 million in the current quarter compared to a reduction of $37 million in the third quarter of 2007 and a recovery of $13 million for the first nine months of 2008 compared to a reduction of $24 million for the first nine months of 2007. The net effect on operating earnings takes into account the write-down of opening inventory processed and sold during the current period.

In the current quarter, the Company announced an agreement to sell a timber tenure located in northwest B.C. and also announced an agreement to acquire a company which holds a timber tenure and owns a sawmill in Fort St. James, B.C. These transactions, along with a previously-announced proposed acquisition of certain timber tenures located in the Kamloops region, are expected to be completed during the fourth quarter of 2008. West Fraser's efforts to expand its timber harvesting rights in B.C. are, in large measure, a response to the mountain pine beetle epidemic.

Lumber exports from Alberta to the U.S. have recently approached levels that, if exceeded, would trigger an additional 7.5% "surge" tax, based on current lumber prices. However, it appears, based on preliminary estimates, that the surge thresholds were not exceeded for any of the months during the current quarter.

During the current quarter the Company successfully concluded negotiations concerning collective agreements at several of its U.S. operations. The Company's U.S. union operations are now subject to collective agreements that will expire in either 2010 or 2011.

Panels Segment

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Sales - $ millions	**108**	109	**324**	112	365
EBITDA - $ millions	**5**	7	**18**	19	46
EBITDA margin - %	**4**	6	**6**	17	13
Operating earnings - $ millions	**(5)**	(3)	**(10)**	9	16
Benchmark price					
Plywood (per Msf 3/8" basis)[1] Cdn$	**333**	337	**338**	394	377
MDF (per Msf 3/4" basis)[2] US$	**549**	537	**533**	464	459

1. Source: Crow's Market Report – Delivered Toronto.
2. Source: Resource Information Systems, Inc. – MDF Western U.S. – Net FOB mill.

The Company's panels segment is comprised of its plywood, MDF and LVL operations.

The weaker operating earnings of the panel segment, compared to the same quarter of 2007 and on a year-to-date basis, reflect reduced demand for plywood in Canada and resulting downward pressure on prices. The Canadian housing market appears unlikely to strengthen in the near term. Results for the later periods were also adversely affected by curtailed MDF production. The Company's Alberta MDF and LVL facilities continue to operate on a reduced shift basis as sales of both products rely on U.S. housing-related demand.

Pulp & Paper Segment

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Sales - $ millions	**282**	291	**859**	233	769
EBITDA - $ millions	**45**	24	**101**	26	69
EBITDA margin - %	**16**	8	**12**	11	9
Operating earnings - $ millions	**20**	(1)	**26**	1	(4)
Benchmark price					
NBSK (US$ per tonne)[1]	**880**	880	**880**	837	812
Linerboard (US$ per tonne)[2]	**672**	612	**632**	597	578
Newsprint (US$ per tonne)[3]	**728**	672	**672**	572	595

1. Source: Resource Information Systems, Inc. – U.S. list price delivered U.S.
2. Source: Pulp & Paper Week – Unbleached linerboard kraft, East.
3. Source: Resource Information Systems, Inc. – delivered 48.8 gram newsprint.

The Company's pulp & paper operations generally ran well during the current quarter although Hinton Pulp had its scheduled maintenance shutdown. The shutdown was extended for four days to 14 days in total because of unanticipated maintenance requirements and production was reduced by approximately 3,000 tonnes as a result of the extension. Production in the current quarter at the Kitimat linerboard and kraft paper mill increased compared to the same quarter last year, when unanticipated maintenance downtime extended into the third quarter of 2007.

Operating earnings for the pulp & paper segment improved markedly compared to the same quarter in 2007 and on a year-to-date-basis as improved product prices outweighed the adverse effect of a stronger average Canadian dollar in the later periods. Late in the current quarter, pulp markets weakened and the benchmark NBSK pulp price declined.

The pulp & paper segment has been faced with input cost escalation, including energy, petroleum and chemicals. Prices for some of these commodities moderated late in the current quarter but continue to be subject to unpredictable variations.

During the quarter the Company negotiated new collective agreements covering its unionized employees at its Kitimat and Cariboo Pulp facilities. Negotiations relating to a new collective agreement at Hinton Pulp and Hinton Wood Products are in progress.

Business Outlook

For a detailed description of West Fraser's business outlook see its 2007 annual MD&A under "Business Outlook", which is included in the Company's 2007 Annual Report.

Near the end of the current quarter, a financial crisis accelerated in the U.S. and other parts of the world resulting in the failure or nationalization of a number of major financial and insurance companies and sharp value declines in major stock markets. Various governments have taken steps to intervene in the financial and credit markets with a view to stabilizing a rapidly deteriorating situation. It is currently highly uncertain what the outcome of those steps will be as the situation remains extremely unpredictable.

This financial and credit uncertainty affects the Company's business outlook in three key areas.

Firstly, the Company's core solid wood products business, comprised of its lumber and panel segments, relies heavily on new home and renovation construction in North America. The U.S. housing market has been in a severe and prolonged slump and the Canadian housing market has weakened during 2008. If attempts to stabilize the financial and credit markets are not successful, economic activity in North America and elsewhere is likely to recede, resulting in higher unemployment rates and shrinking credit availability. This would likely further delay a recovery of North America's housing markets. However, if government intervention is successful and the availability of credit is improved, a turnaround of the U.S. housing market, where value declines have improved affordability, could be accelerated.

Secondly, the Company's pulp & paper products depend heavily on general world economic conditions and activity. If the current financial crisis results in a broad economic recession, demand for the Company's pulp & paper products is likely to decline.

Finally, the current financial crisis could adversely affect the Company's ability to conduct its normal, day-to-day selling activities which depend on the granting of short-term credit to a wide variety of purchasers and the corresponding need of those purchasers to finance purchases by accessing credit. Although the Company currently has access to substantial amounts of credit (see "Capital Requirements and Liquidity"), its business is dependent on purchasers of its products also having access to adequate levels of credit. If the financial crisis is not resolved in a manner that will provide access to credit to purchasers of the Company's products, the Company's business would likely suffer as a result.

Given these uncertainties, the Company will continue to closely monitor its operating strategy for all of its business components.

Capital Requirements and Liquidity

Summary of Financial Position ($ millions, except as otherwise indicated)

As at	**September 30, 2008**	December 31, 2007	September 30, 2007
Cash[1]	**8**	(4)	24
Current assets	**857**	877	902
Current liabilities	**384**	502	522
Ratio of current assets to current liabilities	**2.2**	1.7	1.7
Net debt	**574**	696	665
Shareholders' equity	**2,043**	2,089	2,101
Net debt to capitalization[2] - %	**22**	25	24

1. Cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.
2. Net debt (total debt less net cash) divided by net debt plus shareholders' equity.

West Fraser's cash requirements, other than for operating purposes, are primarily for interest payments, repayment of debt, additions to property, plant, equipment and timber, acquisitions and payment of dividends. In years without a major acquisition or debt repayment, cash on hand and cash provided by operations are normally sufficient to meet these requirements. West Fraser's operations generated cash from operations, less capital expenditures and dividend payments, of approximately $76 million in the current quarter and approximately $127 million in the first nine months of 2008.

In September, 2008 the Company successfully negotiated the right to expand, by up to $100 million, its current $600 million committed revolving operating line of credit, subject to sourcing lenders for this additional amount. In connection with the negotiation of this "accordion" feature, the Credit Agreement was also amended to provide a covenant by the Company to maintain at least a prescribed EBITDA to interest coverage if the ratio of the Company's debt to total capitalization exceeds a prescribed percentage. The Company's debt to total capitalization is currently below the prescribed percentage. The Credit Agreement and the 2008 Amendment are available at www.sedar.com.

Selected Cash Flow Items ($ millions)

	Q3-08	Q2-08	**YTD-08**	Q3-07	YTD-07
Operating Activities					
Cash provided before working capital changes	**64**	54	**115**	16	76
Non-cash working capital change	**24**	86	**67**	17	(298)
Cash provided by (used in) operating activities	**88**	140	**182**	33	(222)
Financing Activities					
Debt and operating loans	**(63)**	(130)	**(133)**	(7)	118
Dividends and other	**(6)**	(6)	**(18)**	(6)	(17)
Cash provided by (used in) financing activities	**(69)**	(136)	**(151)**	(13)	101
Investing Activities					
Acquisition	**-**	-	**-**	-	(379)
Additions to property, plant, equipment & timber	**(6)**	(17)	**(37)**	(24)	(92)
Other – net	**8**	7	**18**	9	10
Cash provided by (used in) investing activities	**2**	(10)	**(19)**	(15)	(461)
Change in cash	**21**	(6)	**12**	5	(582)

Capital Structure and Debt Ratings

At September 30, 2008 the combined number of Common shares and Class B common shares outstanding was 42,805,086 comprised of 39,998,608 Common shares and 2,806,478 Class B common shares. This reflects the exchange, on September 22, 2008, of 78,728 Class B common shares for the same number of Common shares.

All of West Fraser's debt, other than current borrowings incurred from time to time for its joint-venture newsprint mill, is unsecured and ranks equally in right of payment. West Fraser’s public debt is rated as investment grade by leading rating agencies. In March 2008, Dominion Bond Rating Service downgraded the Company’s rating to BBB- from BBB but maintained its stable outlook. In April 2008, Moody’s changed its outlook to Negative from Stable and in May 2008, Standard & Poor’s reconfirmed its BBB- rating and Negative outlook.

Debt Ratings

Agency	**Rating**	**Outlook**
Dominion Bond Rating Service	**BBB-**	**Stable**
Moody’s	**Baa3**	**Negative**
Standard & Poor’s	**BBB-**	**Negative**

Risks and Uncertainties

For a review of the risks and uncertainties to which the Company is subject, see the 2007 annual MD&A which is included in the Company's 2007 Annual Report.

Changes in Accounting

Effective January 1, 2008, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (the "CICA") as follows:

Section 3031 – Inventories

This section, among other things, requires that the Company's inventories be measured at the lower of cost and net realizable value. This has resulted in the Company changing its method for valuing chip and pulp log inventories which were previously valued at the lower of cost and replacement cost. In addition, the Company began amortizing certain deferred major maintenance expenditures over the period to the next major maintenance outage as opposed to amortizing them on a calendar year basis, and began expensing certain storage and handling costs that were previously included in inventory.

The Company adopted the new standard on a retroactive basis without restatement of prior periods. As a result, the Company recorded an increase of $10 million to opening retained earnings, an increase in future income tax liability of $4 million, an increase of $18 million to prepaid expenses and a decrease of $4 million to inventories for the cumulative effect on prior years from the adoption of this standard.

Section 1535 - Capital disclosures

This section requires the Company to disclose its objectives, policies and processes for managing capital.

Section 3862 - Financial instruments disclosures

This section enhances the disclosure requirements on the nature and extent of risks arising from financial instruments and how the Company manages those risks.

New Accounting Pronouncements

Section 3064 - Goodwill and Intangible Assets

Effective January 1, 2009, the Company will adopt new CICA standard 3064 "Goodwill and Intangible Assets" which establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC-27, "Revenues and Expenditures in the Pre-operating Period", will be withdrawn. This will result in a change to the Company's accounting for certain pre-production and start-up costs, as these costs will no longer be capitalized as an asset. The impact of adopting this standard on the Company's financial statements is not expected to be significant.

International Financial Reporting Standards

In February, 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards will replace Canada's current generally accepted accounting principles for publicly accountable profit-oriented enterprises effective January 1, 2011. The Company is presently considering the effect these standards will have on its financial statements.

Disclosure Controls and Internal Controls Over Financial Reporting

West Fraser's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have acknowledged responsibility for establishing and maintaining disclosure controls and procedures. West Fraser's management has evaluated the effectiveness of its disclosure controls and procedures as at September 30, 2008. Based on that evaluation, the CEO and the CFO have certified that such disclosure controls and procedures are effective.

The CEO and CFO have also acknowledged responsibility for the design of internal control over financial reporting ("ICFR") as at September 30, 2008 and have confirmed that in the quarter ended September 30, 2008 there were no changes in these controls which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Additional Information

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

West Fraser Timber Co. Ltd.
CONSOLIDATED BALANCE SHEETS
(in millions of Canadian dollars - unaudited)

	As at September 30, 2008	As at December 31, 2007
ASSETS		
Current assets		
Cash and short-term investments	**$ 32.9**	$ 17.2
Accounts receivable	**261.7**	278.6
Income taxes receivable	**14.3**	50.6
Inventories	**503.9**	517.4
Prepaid expenses	**43.8**	13.0
	856.6	876.8
Property, plant, equipment and timber	**2,065.7**	2,215.0
Deferred pension costs	**65.2**	54.3
Goodwill	**263.7**	263.7
Other assets *(note 4)*	**104.8**	115.7
Future income taxes	**61.2**	40.4
	$ 3,417.2	$ 3,565.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Cheques issued in excess of funds on deposit	**$ 24.9**	$ 20.9
Operating loans *(note 5)*	**11.7**	145.3
Accounts payable and accrued liabilities	**295.2**	282.2
Current portion of reforestation obligations	**50.7**	50.7
Current portion of long-term debt *(note 5)*	**1.5**	2.4
	384.0	501.5
Long-term debt *(note 5)*	**568.9**	544.9
Other liabilities *(note 6)*	**147.8**	136.7
Future income taxes	**273.7**	293.7
	1,374.4	1,476.8
Shareholders' equity		
Share capital	**599.4**	599.3
Accumulated other comprehensive earnings *(note 8)*	**(63.7)**	(93.2)
Retained earnings	**1,507.1**	1,583.0
	2,042.8	2,089.1
	$ 3,417.2	$ 3,565.9

Number of Common shares and Class B common shares outstanding at October 27, 2008 was 42,805,086.

West Fraser Timber Co. Ltd.
CONSOLIDATED STATEMENTS OF EARNINGS
(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2008	2007	**2008**	2007
Sales	**$ 848.4**	$ 826.8	**$ 2,442.9**	$ 2,533.5
Costs and expenses				
Cost of products sold	**585.0**	643.9	**1,789.5**	1,919.8
Freight and other distribution costs	**140.1**	114.0	**404.0**	376.4
Export taxes	**17.4**	20.8	**47.6**	68.0
Amortization	**69.5**	67.2	**207.6**	194.1
Selling, general and administration	**28.5**	21.1	**83.9**	73.7
	840.5	867.0	**2,532.6**	2,632.0
Operating earnings	**7.9**	(40.2)	**(89.7)**	(98.5)
Other				
Interest expense - net	**(8.2)**	(7.8)	**(27.5)**	(20.1)
Exchange gain (loss) on long-term debt	**(13.4)**	21.2	**(21.9)**	51.2
Other income (expense)	**10.1**	(3.6)	**21.1**	(6.7)
Earnings before income taxes	**(3.6)**	(30.4)	**(118.0)**	(74.1)
Income tax recovery *(note 11)*	**1.3**	18.3	**50.4**	42.7
Earnings	**$ (2.3)**	$ (12.1)	**$ (67.6)**	$ (31.4)
Earnings per share *(dollars) (note 12)*				
Basic and diluted	**$ (0.05)**	$ (0.28)	**$ (1.58)**	$ (0.73)

West Fraser Timber Co. Ltd.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND COMPREHENSIVE EARNINGS

(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2008	2007	**2008**	2007
RETAINED EARNINGS				
Balance - beginning of period	**$ 1,515.3**	$ 1,610.0	**$ 1,583.0**	$ 1,641.3
Change in accounting *(note 2)*	**-**	-	**9.6**	-
Earnings	**(2.3)**	(12.1)	**(67.6)**	(31.4)
	1,513.0	1,597.9	**1,525.0**	1,609.9
Common share dividends	**(5.9)**	(5.9)	**(17.9)**	(17.9)
Balance - end of period	**$ 1,507.1**	$ 1,592.0	**$ 1,507.1**	$ 1,592.0

COMPREHENSIVE EARNINGS				
Earnings	**$ (2.3)**	$ (12.1)	**$ (67.6)**	$ (31.4)
Other comprehensive earnings				
Unrealized foreign exchange translation gain (loss) on investments in self-sustaining foreign operations	**17.7**	(31.3)	**29.5**	(90.0)
Comprehensive earnings	**$ 15.4**	$ (43.4)	**$ (38.1)**	$ (121.4)

West Fraser Timber Co. Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2008	2007	**2008**	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Earnings	**$ (2.3)**	$ (12.1)	**$ (67.6)**	$ (31.4)
Items not affecting cash				
Amortization	**69.5**	67.2	**207.6**	194.1
Exchange loss (gain) on long-term debt	**13.4**	(21.2)	**21.9**	(51.2)
Gain on asset sales	**(4.2)**	(4.5)	**(7.6)**	(5.2)
Change in reforestation obligations	**(9.0)**	(9.4)	**(3.4)**	(10.2)
Future income taxes	**(11.0)**	(4.8)	**(41.8)**	(12.9)
Other	**7.4**	0.8	**5.7**	(7.6)
	63.8	16.0	**114.8**	75.6
Net change in non-cash working capital items	**24.5**	16.7	**67.1**	(297.4)
	88.3	32.7	**181.9**	(221.8)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term debt	**(0.3)**	(0.3)	**(1.2)**	(0.9)
Proceeds from long-term debt	**-**	0.1	**-**	102.9
Proceeds from (repayment of) operating loans	**(62.8)**	(6.9)	**(132.0)**	15.9
Common share dividends	**(5.9)**	(5.9)	**(17.9)**	(17.9)
Other	**-**	-	**0.1**	1.3
	(69.0)	(13.0)	**(151.0)**	101.3
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition	**-**	-	**-**	(379.2)
Additions to property, plant, equipment and timber	**(6.2)**	(24.0)	**(37.3)**	(92.0)
Proceeds from disposals of property, plant, equipment and timber	**5.8**	5.5	**12.9**	10.5
Decrease (increase) in other assets	**2.0**	3.2	**5.2**	(0.9)
	1.6	(15.3)	**(19.2)**	(461.6)
Increase (decrease) in cash *	**20.9**	4.4	**11.7**	(582.1)
Cash - beginning of period	**(12.9)**	19.1	**(3.7)**	605.6
Cash - end of period	**$ 8.0**	$ 23.5	**$ 8.0**	$ 23.5

*Cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.

Supplemental information:				
Interest paid	**$ 3.1**	$ 2.6	**$ 20.3**	$ 21.0
Income taxes paid	**$ 4.6**	$ 1.9	**$ 15.9**	$ 189.8
Non - cash investing activity:				
Contracts terminated on acquisition	**$ -**	$ -	**$ -**	$ (10.4)

West Fraser Timber Co. Ltd.
Notes to Consolidated Financial Statements
(figures are in millions of dollars except where indicated - unaudited)

1. BASIS OF PRESENTATION

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and do not contain all of the information that is required for annual financial statements. Accordingly, they should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2007.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2007 consolidated annual financial statements except as disclosed in note 2.

Certain comparative figures have been reclassified to conform to the current period's presentation.

2. CHANGES IN ACCOUNTING

Effective January 1, 2008, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (the "CICA") as follows:

Section 3031 – Inventories

This section, among other things, requires that the Company's inventories be measured at the lower of cost and net realizable value. This has resulted in the Company changing its method for valuing chip and pulp log inventories which were previously valued at the lower of cost and replacement cost. In addition, the Company began amortizing certain deferred major maintenance expenditures over the period to the next major maintenance outage as opposed to amortizing them on a calendar year basis, and began expensing certain storage and handling costs that were previously included in inventory.

The Company adopted the new standard on a retroactive basis without restatement of prior periods. As a result, the Company recorded an increase of $9.6 million to opening retained earnings, an increase in future income tax liabilities of $4.7 million, an increase of $18.4 million to prepaid expenses and a decrease of $4.1 million to inventories, for the cumulative effect on prior years from the adoption of this standard.

Inventories at September 30, 2008 were written down by $48.6 million (June 30, 2008 - $43.6 million) to reflect net realizable value being lower than cost.

Section 1535 - Capital Disclosures

This section requires the Company to disclose its objectives, policies and processes for managing capital.

Section 3862 - Financial Instruments Disclosures

This section enhances the disclosure requirements on the nature and extent of risks arising from financial instruments and how the Company manages those risks.

3. NEW ACCOUNTING PRONOUNCEMENTS

Section 3064 - Goodwill and Intangible Assets

Effective January 1, 2009, the Company will adopt new CICA standard 3064 "Goodwill and Intangible Assets" which establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC-27, "Revenues and Expenditures in the Pre-operating Period", will be withdrawn. This will result in a change to the Company's accounting for certain pre-production and start-up costs, as these costs will no longer be capitalized as an asset. The impact of adopting this standard on the Company's financial statements is not expected to be significant.

International Financial Reporting Standards

In February, 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards will replace Canada's current generally accepted accounting principles for publicly accountable profit-oriented enterprises effective January 1, 2011. The Company is presently considering the effect these standards will have on its financial statements.

4. OTHER ASSETS

	September 30, 2008	December 31, 2007
Power purchase agreement – net	**$ 89.6**	$ 95.1
Investments	**4.2**	4.5
Advances for timber and timber deposits	**11.0**	16.1
	$ 104.8	$ 115.7

5. LONG–TERM DEBT AND OPERATING LOANS

Long-term debt

	September 30, 2008	December 31, 2007
Debentures due 2009; interest at 4.94%	**$ 150.0**	$ 150.0
Term note due 2010; interest at floating rates [(1)]	**100.0**	100.0
US $300,000 senior notes due 2014; interest at 5.2%	**319.3**	297.4
Term note due on demand; interest at floating rates [(1)]	**1.2**	2.1
Note payable due in instalments to 2020; interest at 5.5%	**2.8**	3.0
	573.3	552.5
Less:		
Current portion	**(1.5)**	(2.4)
Deferred financing costs	**(2.9)**	(5.2)
	$ 568.9	$ 544.9

1. Floating rates are based on Prime, US base, Bankers' Acceptances or LIBOR at the Company's option.

Principal repayments required are as follows:

2008	**$ 0.3**
2009	**151.2**
2010	**100.3**
2011	**0.3**
2012	**0.3**
Thereafter	**320.9**
	$ 573.3

Operating loans

The Company has $605.0 million in revolving lines of credit available, of which $11.7 million (net of deferred financing costs of $3.7 million) was drawn as at September 30, 2008. Interest is payable at floating rates based on, at the Company's option, Prime, US base, Bankers' Acceptances or LIBOR. The Company has also arranged for the issuance of letters of credit in the amount of $29.8 million. The revolving lines of credit include a $600 million committed facility maturing in 2012.

6. OTHER LIABILITIES

	September 30, 2008	December 31, 2007
Post-retirement obligations	**$ 65.8**	$ 58.4
Timber damage deposits	**14.7**	13.9
Reforestation obligations - long-term	**52.0**	55.4
Other long-term obligations	**15.3**	9.0
	$ 147.8	$ 136.7

7. CAPITAL DISCLOSURES

The Company's business is cyclical and it experiences significant changes in cash flow over the business cycle. In addition, the Company's financial performance can be materially influenced by changes in the relative values of the Canadian and US dollar. The Company's objective in managing capital is to ensure adequate liquidity and financial flexibility at all times, but particularly at the bottom of the business cycle and in a strong Canadian dollar environment.

The Company's main policy relating to capital management is to maintain a strong balance sheet and otherwise meet financial tests that are commonly applied by rating agencies for investment grade issuers of public debt. The Company believes that the maintenance of an investment grade rating is an appropriately conservative approach in the context of the Company's cyclical business.

The Company monitors and assesses its financial performance in order to ensure that its net debt levels are prudent taking into account the anticipated direction of the business cycle. When financing acquisitions, the Company combines debt and equity financing in a proportion that is intended to maintain an investment grade rating for the Company's debt throughout the cycle. Long-term debt repayments are arranged on a staggered basis that takes into account the uneven nature of anticipated cash flows. The Company has also established a committed revolving line of credit that provides liquidity and flexibility when capital markets are restricted.

8. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

	September 30, 2008	December 31, 2007
Balance – beginning of period	**$ (93.2)**	$ -
Adjustment on change in translation method	**-**	(18.2)
Unrealized foreign exchange translation gain (loss) on investments in self-sustaining foreign operations	**29.5**	(75.0)
Balance – end of period	**$ (63.7)**	$ (93.2)

9. EMPLOYEE FUTURE BENEFITS

The total benefit cost of the Company's defined benefit pension plans was $5.6 million for the three months ended September 30, 2008 (three months ended September 30, 2007 - $6.7 million) and $16.9 million for the nine months ended September 30, 2008 (nine months ended September 30, 2007 - $18.9 million).

10. FINANCIAL INSTRUMENTS

Financial risk management

The Company's activities result in exposure to a variety of financial risks, including risks related to commodity prices, currency fluctuation, credit, liquidity and interest rates. Table Q on page 43 of the Company's 2007 Annual Report is an integral part of these interim consolidated financial statements and provides the earnings sensitivity to key financial risks.

Commodity prices

The Company's financial performance is principally dependent on the demand for and selling prices of its products. Both are subject to significant fluctuations. The markets for lumber, panels, pulp, paper, wood chips and other wood products are highly volatile and are affected by factors such as global economic conditions including the strength of the US housing market, changes in industry production capacity, changes in world inventory levels and other factors beyond the Company's control. At this time the Company has elected not to hedge its exposure to commodity price risk.

Currency fluctuation

Most of the Company's products are sold at prices denominated in US dollars or based on prevailing US dollar prices, and a significant portion of its operational costs and expenses are incurred in Canadian dollars. Therefore, an increase in the value of the Canadian dollar relative to the US dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in US dollars, which reduces operating margin and the cash flow available to fund operations. The Company also has investments in US self-sustaining operations, whose net assets are exposed to foreign currency translation risk.

Although the Company does not currently hedge its foreign exchange exposure with financial forward or option contracts, US dollar-denominated debt provides a partial offset to exchange exposure.

Credit

The Company sells its products to a variety of customers under various payment terms and therefore is exposed to credit risks. The Company has adopted policies and procedures designed to limit these risks. The maximum exposure to credit risk at the reporting date is the carrying value of accounts receivable.

Liquidity

The Company manages liquidity by maintaining adequate cash and short-term investment balances, and by having appropriate lines of credit available. In addition, the Company regularly monitors and reviews both actual and forecasted cash flows. Refinancing risks are minimized by ensuring long-term debt has a balanced maturity schedule.

Interest rates

The Company's interest rate risk mainly arises from the interest rate impact on cash and short-term investments and floating rate debt. The general practice of the Company is to fund its long-term capital with debt at fixed rates and various maturities. In addition, the Company has revolving lines of credit available with interest at floating rates.

As at September 30, 2008, a 1% change in interest rates would not have a significant impact on earnings.

11. INCOME TAXES

The Company's effective tax rate is as follows:

	July 1 to September 30			
	2008		2007	
	Amount	**%**	Amount	%
Income taxes at statutory rates	**$ 1.1**	**31.0**	$ 10.4	34.1
Non-taxable amounts	**(1.8)**	**(49.9)**	4.5	15.0
Rate differentials between jurisdictions and on specified activities	**2.6**	**71.9**	2.6	8.5
Rate differential on loss carry backs	**(0.1)**	**(2.8)**	-	-
Other	**(0.5)**	**(13.8)**	0.8	2.6
Income tax recovery	**$ 1.3**	**36.4**	$ 18.3	60.2

	January 1 to September 30			
	2008		2007	
	Amount	**%**	Amount	%
Income taxes at statutory rates	**$ 36.6**	**31.0**	$ 25.3	34.1
Non-taxable amounts	**(2.6)**	**(2.2)**	9.5	13.0
Rate differentials between jurisdictions and on specified activities	**8.8**	**7.5**	4.7	6.3
Rate differential on loss carry backs	**2.0**	**1.7**	-	-
Reduction in statutory income tax rates	**6.4**	**5.4**	2.7	3.6
Other	**(0.8)**	**(0.7)**	0.5	0.6
Income tax recovery	**$ 50.4**	**42.7**	$ 42.7	57.6

12. EARNINGS PER SHARE

Basic earnings per share is calculated based on earnings available to Common shareholders, as set out below, using the weighted average number of Common shares and Class B common shares outstanding. Diluted earnings per share assume the exercise of share options using the treasury stock method.

	July 1 to September 30	
	2008	2007
Earnings available to shareholders	**$ (2.3)**	$ (12.1)
Weighted average number of shares (thousands)		
Weighted average shares – basic	**42,805**	42,793
Share options – treasury stock method	**149**	443
Weighted average shares - diluted	**42,954**	43,236
Earnings per share (dollars)		
Basic and diluted	**$ (0.05)**	$ (0.28)

	January 1 to September 30	
	2008	2007
Earnings available to shareholders	**$ (67.6)**	$ (31.4)
Weighted average number of shares (thousands)		
Weighted average shares – basic	**42,805**	42,780
Share options – treasury stock method	**160**	434
Weighted average shares - diluted	**42, 965**	43,214
Earnings per share (dollars)		
Basic and diluted	**$ (1.58)**	$ (0.73)

13. SEGMENTED INFORMATION

		Lumber		Panels		Pulp & paper		Corporate & other		Consolidated
July 1, 2008 to September 30, 2008										
Sales at market prices										
To external customers	**$**	**458.4**	**$**	**108.2**	**$**	**281.8**	**$**	**-**	**$**	**848.4**
To other segments		**34.0**		**2.5**		**-**		**-**		
	$	**492.4**	**$**	**110.7**	**$**	**281.8**	**$**	**-**		
EBITDA [1]	**$**	**29.2**	**$**	**4.8**	**$**	**44.8**	**$**	**(1.4)**	**$**	**77.4**
Amortization		**34.4**		**9.3**		**24.9**		**0.9**		**69.5**
Operating earnings		**(5.2)**		**(4.5)**		**19.9**		**(2.3)**		**7.9**
Interest income (expense) - net		**(5.2)**		**(1.0)**		**(2.1)**		**0.1**		**(8.2)**
Exchange loss on long-term debt		**-**		**-**		**-**		**(13.4)**		**(13.4)**
Other income (expense)		**(0.9)**		**-**		**0.4**		**10.6**		**10.1**
Earnings before income taxes	**$**	**(11.3)**	**$**	**(5.5)**	**$**	**18.2**	**$**	**(5.0)**	**$**	**(3.6)**
July 1, 2007 to September 30, 2007										
Sales at market prices										
To external customers	$	481.3	$	112.4	$	233.1	$	-	$	826.8
To other segments		29.1		4.0		-		-		
	$	510.4	$	116.4	$	233.1	$	-		
EBITDA [1]	$	(27.3)	$	18.6	$	25.5	$	10.2	$	27.0
Amortization		32.2		9.5		24.6		0.9		67.2
Operating earnings		(59.5)		9.1		0.9		9.3		(40.2)
Interest income (expense) - net		(5.6)		(1.0)		(2.0)		0.8		(7.8)
Exchange gain on long-term debt		-		-		-		21.2		21.2
Other expense		(0.3)		(0.3)		(0.9)		(2.1)		(3.6)
Earnings before income taxes	$	(65.4)	$	7.8	$	(2.0)	$	29.2	$	(30.4)

1 **Non GAAP measure:**
EBITDA is defined as operating earnings plus amortization.

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2008 to September 30, 2008					
Sales at market prices					
To external customers	**$ 1,259.9**	**$ 323.9**	**$ 859.1**	**$ -**	**$ 2,442.9**
To other segments	**103.9**	**7.3**	**-**	**-**	
	$ 1,363.8	**$ 331.2**	**$ 859.1**	**$ -**	
EBITDA [1]	**$ (3.4)**	**$ 18.1**	**$ 100.6**	**$ 2.6**	**$ 117.9**
Amortization	**101.9**	**28.1**	**74.9**	**2.7**	**207.6**
Operating earnings	**(105.3)**	**(10.0)**	**25.7**	**(0.1)**	**(89.7)**
Interest expense - net	**(16.6)**	**(3.5)**	**(7.3)**	**(0.1)**	**(27.5)**
Exchange loss on long-term debt	**-**	**-**	**-**	**(21.9)**	**(21.9)**
Other income	**-**	**0.1**	**0.4**	**20.6**	**21.1**
Earnings before income taxes	**$ (121.9)**	**$ (13.4)**	**$ 18.8**	**$ (1.5)**	**$ (118.0)**
January 1, 2007 to September 30, 2007					
Sales at market prices					
To external customers	$ 1,400.3	$ 364.7	$ 768.5	$ -	$ 2,533.5
To other segments	82.4	9.3	-	-	
	$ 1,482.7	$ 374.0	$ 768.5	$ -	
EBITDA [1]	$ (36.8)	$ 46.1	$ 69.0	$ 17.3	$ 95.6
Amortization	88.6	29.9	73.2	2.4	194.1
Operating earnings	(125.4)	16.2	(4.2)	14.9	(98.5)
Interest income (expense) - net	(14.2)	(3.0)	(4.4)	1.5	(20.1)
Exchange gain on long-term debt	-	-	-	51.2	51.2
Other income (expense)	(0.7)	(0.7)	6.9	(12.2)	(6.7)
Earnings before income taxes	$ (140.3)	$ 12.5	$ (1.7)	$ 55.4	$ (74.1)

1 **Non GAAP measure:**
EBITDA is defined as operating earnings plus amortization.

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

For more information:

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