

WEST FRASER TIMBER CO. LTD.

**ANNUAL INFORMATION FORM
DATED MARCH 27, 2009**



WEST FRASER TIMBER CO. LTD.

WEST FRASER MILLS LTD.

LUMBER		PANELS	PULP & PAPER
Canada	U.S.⁴	Plywood	Linerboard & Kraft Paper
Quesnel (3 mills)	Joyce	Edmonton ²	Kitimat
Williams Lake	Huttig	Quesnel	
Smithers	Henderson	Williams Lake	Pulp
Chetwynd	New Boston		Hinton
Fraser Lake	Leola	MDF	Quesnel
Terrace	Citronelle	Blue Ridge	Quesnel (50%) ⁵
Chasm	Maplesville	Quesnel	Slave Lake
Houston	Opelika		
100 Mile House	McDavid	Veneer & LVL	Newsprint
Blue Ridge ¹	Seaboard	Rocky Mountain House ³	Whitcourt (50%) ⁶
Slave Lake ²	Armour	Slave Lake ²	
Hinton	Newberry		
Sundre ³	Augusta		
	Folkston		
	Whitehouse		

1. Owned through Blue Ridge Lumber Inc., a wholly-owned subsidiary.
2. Owned through Alberta Plywood Ltd., a wholly-owned subsidiary.
3. Owned through Sundre Forest Products Inc., a wholly-owned subsidiary.
4. Owned through West Fraser, Inc., a wholly-owned subsidiary.
5. Joint venture interest in Cariboo Pulp & Paper Company.
6. Joint venture interest in Alberta Newsprint Company owned through West Fraser Newsprint Ltd., a wholly-owned subsidiary.

This Annual Information Form of West Fraser Timber Co. Ltd. (“West Fraser” or the “Company”) is dated as of March 27, 2009. Except as otherwise indicated, the information contained in it is as of December 31, 2008.

Business Overview

West Fraser is a North American wood products company. Its main product is lumber (spruce/pine/fir (“SPF”) and southern yellow pine (“SYP”)), and it also produces panels (plywood, MDF and LVL), pulp (NBSK and BCTMP), linerboard, kraft paper, newsprint and wood chips. The operations located in western Canada manufacture all of the products described above except SYP lumber. The sawmills located in the southern United States produce SYP lumber and wood chips.

The annual production capacities of West Fraser’s wholly-owned facilities and its share of the capacities of its joint venture facilities are as follows:

Lumber (MMfbm)	
SPF	4,000
SYP	2,000
Total	6,000
Panels	
Plywood (MMsf ³ / ₈ ”)	820
MDF (MMsf ³ / ₄ ”)	300
LVL (Mcf)	3,200
Pulp (Mtonnes)	
BCTMP	580
NBSK	510
Linerboard and Kraft Paper (Mtonnes)	470
Newsprint (Mtonnes)	135

Corporate Strategy

West Fraser’s goal is to generate strong financial results through the business cycle, relying on its committed work force, the quality of its assets, and its well-established corporate culture. This culture places emphasis on cost control in all aspects of the business and on competitiveness, both internally and externally. In its approach to employee relations, West Fraser emphasizes employee involvement and favours internal promotions whenever possible.

West Fraser is an integrated and diversified producer of wood products with access to extensive timber resources. Acquisitions and expansions are considered with a view to extending its existing business lines, particularly in solid wood operations, and to product and geographic diversification. West Fraser’s relatively stable earnings over the business cycle have enabled it to make significant and ongoing capital expenditures in its facilities and thereby ensure that its overall low-cost position is maintained or improved.

West Fraser is committed to operating in a financially conservative and prudent manner. The North American wood products industry is cyclical, and presently faces very difficult market conditions and serious challenges.

Forward-looking Statements

This Annual Information Form, and the Annual Report of which it forms a part, contain historical information, descriptions of current circumstances and statements about potential future developments. 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. Forward-looking statements are included under the headings “Capital Expenditures and Acquisitions” and “Capital Structure – Dividends” and in parts of the Management’s Discussion & Analysis incorporated herein. 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 the matters described under “Risk Factors”, and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements which reflect management’s estimates, projections and views only as of the date hereof. The Company undertakes no obligation to publicly revise these statements to reflect subsequent events or changes in circumstances.



During such cyclical downturns, West Fraser focuses on financial discipline, including reduction or deferral of non-essential capital expenditures. West Fraser has continuously maintained its investment grade status since first being rated by external rating services in 1989. Management also believes that maintaining a strong balance sheet provides the ability to react to growth opportunities.

Corporate Structure

The chart on page 8 shows the relationship of West Fraser to its principal direct and indirect subsidiaries and the joint ventures in which it participates and, where less than 100%, the percentage of its direct or indirect ownership.

West Fraser assumed its present form in 1966 by the amalgamation of a group of companies under the laws of British Columbia. Its principal operating subsidiary, West Fraser Mills Ltd., assumed its present form on January 1, 2005 by amalgamation under those laws. West Fraser, Inc. is a Delaware corporation, while Blue Ridge Lumber Inc. and Sundre Forest Products Inc. are Alberta corporations. Alberta Plywood Ltd. and West Fraser Newsprint Ltd. subsist under the laws of Canada. Alberta Newsprint Company ("ANC") and Cariboo Pulp & Paper Company are unincorporated joint ventures governed, respectively, by the laws of Alberta and British Columbia.

West Fraser's executive office is located at 858 Beatty Street, Suite 501, Vancouver, British Columbia, Canada, V6B 1C1 and its registered office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

History

West Fraser originated in 1955 when three brothers, Pete, Bill and Sam Ketcham, acquired a lumber planing mill located in Quesnel, B.C. ("Quesnel"). From 1955 through 2004 the business expanded in western Canada through the acquisition of a number of sawmills and related timber harvesting rights and the acquisition or development of solid wood, panel and pulp & paper businesses.

Major developments for West Fraser during the last five years include the following:

- 2004 Acquisition of Weldwood of Canada Limited ("Weldwood") for \$1,124 million.
- 2006 Softwood Lumber Agreement comes into force; West Fraser subsequently receives \$387 million in duty refunds, net of a special charge, and interest of \$50 million.
- 2006 Burns Lake and Decker Lake sawmills and related timber harvesting rights sold.
- 2006 Construction of new sawmill in Quesnel to replace existing sawmill.
- 2007 Acquisition of 13 sawmills in the southern United States (the "U.S. Acquisition") for \$391 million.

Sales Revenue (\$ millions)	Table 1				
Year ended December 31	2008	2007	2006	2005	2004
Lumber	1,645	1,802	1,756	2,021	1,475
Panels	428	475	475	511	284
Pulp & Paper	1,116	1,039	1,095	1,045	641
Total	3,189	3,316	3,326	3,577	2,400

Fibre Supply

West Fraser's operations are dependent on the consistent supply of substantial quantities of wood fibre in various forms. Its primary manufacturing facilities, which produce lumber, plywood and LVL, consume whole logs while its pulp & paper and MDF facilities mostly consume wood by-products in the form of wood chips, shavings and sawdust resulting from the production of lumber, plywood or LVL. Several facilities also consume hog fuel in energy systems.

Log Supply

West Fraser's U.S. operations, which produce SYP lumber, consume approximately 9 million tons (7 million m³) of logs per year operating at capacity. These operations obtain approximately 20% of their log requirements under certain long-term supply contracts, with the balance being purchased on the open market.

In British Columbia and Alberta substantially all timberlands are publicly owned and the right to harvest timber is acquired through provincially-granted licences. Licences grant the holder the right to harvest up to a specified quantity of timber annually and either have a term of 15 to 25 years and are replaceable or renewable or have a shorter term but are not replaceable or renewable. Table 2 summarizes the timber tenures as at December 31, 2008 supplying the Canadian mills that West Fraser owns or in which it has an interest, the AAC and the actual harvest in 2008.

Timber Tenures (thousand m ³)			Table 2	
Location	Tenure ¹	Expiry	AAC	Harvest
B.C.	Long-term	2021-2025	5,174	4,744
	Short-term	2009-2017	972	1,186
Alberta	Coniferous long-term	2009-2026	4,922	3,791
	Deciduous long-term	2009-2019	994	763

1. Long-term tenures include TFLs, FMAs, timber quotas and forest licences, which are renewable timber tenures. Short-term tenures include non-replaceable forest licences.

Annual log requirements for West Fraser's Canadian sawmills, plywood facilities and LVL plant operating at capacities described in this Annual Information Form total approximately 15 million m³. Approximately 67% of these requirements can be obtained from the tenures described in Table 2 and the balance is acquired from third parties holding short or long-term timber harvesting rights, including independent logging contractors, First Nations, communities and woodlot owners.

Timber tenures in British Columbia and Alberta require the payment of a fee, commonly known as stumpage, for timber harvested under it. Currently, stumpage in Alberta is product-price specific and varies with the sales price of the product into which the logs will be converted. Stumpage in British Columbia is substantially based on the results of certain publicly-auctioned timber harvesting rights.

Timber tenures in British Columbia and Alberta require the holder to carry out reforestation to ensure re-establishment of the forest after harvesting. Reforestation requirements depend on climate, terrain, species and other factors affecting regeneration. Reforestation projects are planned and supervised by West Fraser's woodlands staff and are subject to approval by relevant government authorities. West Fraser's timber harvesting operations are carried out by independent contractors under the supervision of the Company's woodlands staff.

Certification

West Fraser's Canadian woodlands operations, in addition to being subject to various environmental protection laws, are third-party certified to internationally-recognized, sustainable forest management standards. For more information concerning West Fraser's sustainable and environmentally sound forest practices see West Fraser's *Sustainability Report* at www.westfraser.com and the Environmental Report included in West Fraser's Annual Report.



First Nations Claims

The potential existence of aboriginal title and rights over substantial portions of British Columbia, including areas where West Fraser's timber tenures are located, has created uncertainty with respect to property rights and natural resource development in the province. The Supreme Court of Canada (the "SCC") determined in 1997 that First Nations may possess rights in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with those rights. Very few areas of British Columbia are the subject of such treaties.

In 2004, the SCC confirmed that the Crown must consult with First Nations before authorizing activity that might infringe on their interests in certain circumstances and, when appropriate to do so, seek to accommodate those interests by minimizing interference with them. Authorizations requiring consultation may include approval of cutting permits and required ministerial action relating to the transfer or renewal of Crown timber tenures. The process of consultation and, when appropriate, accommodation is currently not clearly defined, creating some uncertainty with respect to Crown timber harvesting rights held by wood products companies, including West Fraser.

The Company relies on provincial governments to adequately discharge obligations to First Nations in order to preserve the validity of actions dealing with public rights, including the granting of Crown timber harvesting rights. This uncertainty may be alleviated by the negotiation of treaties with First Nations and further judgments of the courts. However, as the jurisprudence and government policies respecting aboriginal title and rights and the consultation process continue to evolve, West Fraser cannot at this time predict whether First Nations claims will have a material adverse affect on its timber harvesting rights or on its ability to exercise or renew them, or secure other timber harvesting rights.

Residual Fibre Supply

In Canada substantially all West Fraser's requirements for wood chips, shavings and sawdust are supplied from its own operations, either directly or indirectly through trades. This reduces its exposure to risks associated with price fluctuations and supply shortages. Its British Columbia sawmills and plywood plants fulfill substantially all of the fibre requirements of its British Columbia pulp & paper operations and MDF plant. The Alberta MDF plant obtains its fibre from the adjacent Blue Ridge sawmill and other sawmills in the area. The Hinton Pulp mill obtains its fibre from the adjacent Hinton sawmill and other sawmills in the area, including those owned by West Fraser. At times the Company produces whole log chips to supplement the supply of residual chips from its various sawmills. Almost all of the fibre requirements of ANC are obtained from local sawmills, including the Blue Ridge sawmill, through log-for-chip trading using logs harvested from ANC's tenures. The balance is obtained from direct fibre purchases. The Slave Lake deciduous FMA provides most of the fibre requirements of the Slave Lake Pulp mill, with the balance being obtained from salvage and from logs purchased from local suppliers.

The majority of the wood chips produced by West Fraser's U.S. operations are sold to pulp mills at market prices pursuant to long-term contracts.

Capital Expenditures and Acquisitions

West Fraser regularly invests in upgrading and expanding its facilities and operations. However, during periods when earnings are weak, such as in 2008, West Fraser will reduce capital spending and carefully monitor all expenditures in order to preserve liquidity. Table 3 shows the capital expenditures and acquisitions during the past five years.

Capital Expenditures and Acquisitions (\$ millions)

Table 3

Year ended December 31	2008	2007	2006	2005	2004
Lumber	27	49	122	147	95
Panels	1	8	20	24	10
Pulp & Paper	17	45	67	47	32
Corporate & Other	2	2	2	6	3
	47	104	211	224	140
Acquisitions	—	391	—	—	1,124
Total	47	495	211	224	1,264

The Company acquired Weldwood in 2004 and completed the U.S. Acquisition in 2007.

Human Resources

At December 31, 2008, West Fraser employed approximately 8,500 individuals, including its share of those in joint venture operations. Of these, approximately 47% are covered by collective agreements. In 2009, collective agreements covering approximately 2,000 employees will expire (2010 to 2012 – approximately 1,900 employees).

Markets

West Fraser's products are sold in markets open to a number of companies with similar products. Purchasing decisions by customers are generally based on price, quality and service. Prices and sales volumes are influenced by general economic conditions. Table 4 shows selected average benchmark prices for the past five years for products of the type produced by West Fraser, although these prices do not necessarily reflect the prices it obtained.

Average Benchmark Prices (In US\$ except plywood)

Table 4

	2008	2007	2006	2005	2004
2x4 random length SPF (per Mfbm) ¹	221	250	296	353	394
SYP #2 West 2x4 (per Mfbm) ²	297	279	330	422	387
Plywood (per Msf ³ / ₈ " basis) ³ Cdn\$	337	376	366	387	531
MDF (per Msf ³ / ₄ " basis) ⁴	530	461	445	414	392
Newsprint (per tonne) ⁵	695	585	655	600	544
NBSK (per tonne) ⁶	856	824	721	646	640
Linerboard (per tonne)⁷	641	586	554	472	461

Sources:

1. Random Lengths – 2x4, #2 & Better – Net FOB mill.
2. Random Lengths – 2x4 – Net FOB mill Westside.
3. Crow's Market Report – Delivered Toronto.
4. Resource Information Systems, Inc. – MDF Western U.S. – Net FOB mill.
5. Resource Information Systems, Inc. – U.S. delivered 48.8 gram newsprint.
6. Resource Information Systems, Inc. – U.S. list price, delivered U.S.
7. Pulp & Paper Week – Unbleached linerboard kraft, East.

Research and Development

West Fraser supports industry research and development organizations, and conducts research and development at several plants to improve processes, maximize resource utilization and develop new products and environmental applications.



Lumber

Capacity and Production (both MMfbm)¹

Table 5

	2008	2007	2006	2005	2004
Capacity – year-end	6,000	6,000	4,400	4,700	3,030
Production:					
B.C. Sawmills (SPF)					
Quesnel	474	384	336	366	378
Quesnel finger-joint	4	14	14	15	15
Williams Lake	255	233	241	244	239
Smithers	246	312	309	301	289
Chetwynd	262	248	245	250	250
Fraser Lake	369	337	334	321	349
Terrace	—	49	92	90	81
Chasm	282	281	284	283	254
Houston ²	265	343	358	339	165
Quesnel – Northstar ²	159	170	167	158	—
100 Mile House ²	233	288	285	245	—
Burns Lake ^{2,3}	—	—	222	282	87
Decker Lake ^{2,3}	—	—	65	75	24
	2,549	2,659	2,952	2,969	2,131
Alberta Sawmills (SPF)					
Blue Ridge	342	322	298	283	289
Slave Lake	28	24	23	24	24
Hinton ²	209	268	271	268	—
Sundre ²	261	257	253	243	—
Red Earth ⁴	—	—	—	37	26
	840	871	845	855	339
U.S. Sawmills (SYP)					
Joyce, LA	194	204	212	220	189
Huttig, AR	149	177	177	168	113
Henderson, TX ⁵	120	91	—	—	—
New Boston, TX ⁵	138	106	—	—	—
Leola, AR ⁵	78	111	—	—	—
Citronelle, AL ⁵	56	52	—	—	—
Maplesville, AL ⁵	84	74	—	—	—
Opelika, AL ⁵	64	61	—	—	—
McDavid, FL ⁵	76	119	—	—	—
Seaboard, NC ⁵	107	77	—	—	—
Armour, NC ⁵	160	133	—	—	—
Newberry, SC ⁵	110	103	—	—	—
Augusta, GA ⁵	100	92	—	—	—
Folkston, GA ⁵	71	58	—	—	—
Whitehouse, FL ⁵	63	58	—	—	—
	1,570	1,516	389	388	302
Total Production	4,959	5,046	4,186	4,212	2,772

1. For years before 2005, Houston, Burns Lake and Decker Lake were accounted for as joint ventures and figures therefore reflect capacity and production based on West Fraser's ownership percentage.

2. Mills acquired on December 31, 2004.

3. Includes production to October 31, 2006, when the Company's interest in these mills was sold.

4. Shut down September 2005.

5. Mills acquired on March 31, 2007.

Lumber capacity by region and species is approximately 66% SPF (51% B.C. and 15% Alberta) and 34% SYP (all U.S.).

Operations

West Fraser produces lumber and wood by-products from 29 sawmills and has a plant at Quesnel which produces finger-jointed studs out of by-product trim blocks. The Company also has a wood-treating facility at the Sundre sawmill.

Sales

Lumber produced at West Fraser's Canadian sawmills and sold to North American customers is marketed and sold from the Company's sales office in Quesnel, while sales to offshore markets are made from its export sales office in Vancouver, B.C. Offshore sales activities are complemented by customer service offices in Japan and China. Lumber produced at West Fraser's U.S. sawmills is marketed by its sales group in Memphis, Tennessee. From time to time, the Company purchases lumber for resale in order to meet requirements of customers.

In 2008 approximately 73% of lumber sales by value from Canadian and U.S. operations were to customers in the United States, 18% to customers in Canada and 9% to customers offshore, predominantly Japan. Most lumber shipments to North American customers by the Canadian operations were made by rail and the rest by truck. Offshore shipments were through public terminals in Vancouver. Most lumber shipped by the U.S. operations was delivered by truck and the rest by rail.

Panels

Capacity and Production

Table 6

	2008	2007	2006	2005	2004
Plywood (MMsf $\frac{3}{8}$ " basis)					
Capacity – year-end	820	820	820	820	280
Production:					
Alberta Plywood	299	281	262	251	249
Williams Lake ¹	267	252	239	248	—
Quesnel ¹	248	235	227	222	—
Total Production	814	768	728	721	249
MDF (MMsf $\frac{3}{4}$ " basis)					
Capacity – year-end	300	300	300	300	290
Production:					
Ranger Board	112	142	155	158	155
WestPine	112	134	133	136	130
Total Production	224	276	288	294	285
LVL (Mcf) ¹					
Capacity – year-end	3,200	3,200	3,200	3,200	—
Production	1,264	2,291	3,000	3,179	—

1. Acquired on December 31, 2004.

Operations

West Fraser's panel operations include three plywood mills that primarily produce standard softwood sheathing plywood, two MDF mills, each with the flexibility to manufacture varying thicknesses and sizes, an LVL mill, and a veneer mill that produces veneer for use in the Edmonton plywood mill.



Sales

Plywood and LVL are marketed from the Company's sales office in Quesnel to retail outlets, wholesale distributors, remanufacturers and treating businesses. MDF is marketed under the names "Ranger"[™], "WestPine"[™], "Eco-Gold"[™] and "Ecopremium"[™] from West Fraser's Edmonton, Alberta sales office and through distributors under the direction of West Fraser's sales personnel.

In 2008, approximately 96% of plywood sales by value were made to customers in Canada and 4% to customers in the United States; approximately 57% of MDF sales by value were to customers in the United States, 35% to customers in Canada and 8% to customers in Asia and other areas; and approximately 67% of LVL sales by value were to U.S. customers and the balance to Canadian customers. Shipments to North America were by rail or truck and offshore shipments were by bulk and container vessels.

Pulp & Paper

Pulp

Capacity and Production (Mtonnes)

Table 7

	2008	2007	2006	2005	2004
BCTMP					
Capacity – year-end	580	580	580	555	550
Production:					
QRP	354	360	343	334	307
Slave Lake Pulp	205	217	218	218	215
Total Production	559	577	561	552	522
NBSK					
Capacity – year-end	510	510	485	585	—
Production:					
Hinton ^{1,2}	325	302	381	420	—
Cariboo ^{1,3}	158	164	162	161	—
Total Production	483	466	543	581	—

1. Acquired on December 31, 2004.
2. Reflects closure of #1 line at Hinton Pulp in 2007.
3. Reflects West Fraser's 50% share of ownership.

Operations

West Fraser produces BCTMP, primarily from hardwood aspen, at the Slave Lake pulp mill and BCTMP, primarily from softwood, at the QRP mill. These pulps are used by paper manufacturers to produce printing and writing papers, paperboard products and a variety of other paper grades. NBSK is produced at the Hinton and Cariboo pulp mills and is used by paper manufacturers to produce a variety of paper products, including printing and writing papers and tissues.

Sales

Pulp is marketed out of West Fraser's pulp & paper sales office in Vancouver. In 2008, approximately 31% of the combined pulp sales by value were to customers in North America, 58% to customers in Asia, 8% to customers in Europe and the balance to other offshore customers. Shipments within North America were primarily by rail and those to offshore customers were by rail to Vancouver and then by bulk and container vessels.

Linerboard and Kraft Paper

Capacity and Production (Mtonnes)

Table 8

	2008	2007	2006	2005	2004
Capacity – year-end	470	470	470	450	450
Production:					
Linerboard	326	312	338	337	341
Kraft Paper	115	115	121	112	105
Total Production	441	427	459	449	446

Operations

West Fraser produces unbleached linerboard and kraft paper at its Kitimat, B.C. mill. Linerboard is produced in basis weights ranging from 125 to 400 grams per square metre and distributed worldwide to producers of corrugated shipping containers. Kraft paper is manufactured in basis weights ranging from 60 to 147 grams per square metre and used in producing multi-wall industrial sacks and in various specialty products.

Sales

Linerboard and kraft paper are marketed out of West Fraser's pulp & paper sales office in Vancouver.

In 2008 approximately 24% of all sales by value were to customers in the U.S. and Canada, 15% to customers in Asia, 15% to customers in Europe, and the balance to customers in other markets. Sales to North American customers were shipped by a combination of barge, rail and truck. Offshore sales were either shipped directly from Kitimat on bulk vessels or barged to Vancouver for shipment by container vessels.

Newsprint

Capacity and Production¹ (Mtonnes)

Table 9

	2008	2007	2006	2005	2004
Capacity – year-end	135	135	135	135	135
Production	125	125	125	130	135

1. Reflects West Fraser's 50% share of ownership.

Operations

The ANC mill at Whitecourt, Alberta produces standard newsprint in two basis weights: 45 and 48.8 grams per square metre.

Sales

Newsprint is sold to various publishers in North America through a partnership owned indirectly by the ANC owners. In 2008 approximately 75% of all sales by value were to customers in the United States and the balance to customers in Canada. Shipments were by rail and truck.

External Factors Affecting West Fraser's Business in 2008

Economic Conditions

West Fraser's earnings are sensitive to changes in world economic conditions, primarily those in North America, Europe and Asia and particularly to the U.S. housing market. Most of the Company's revenues are from sales of commodities for which prices are sensitive to variations in supply and demand. Since most of these sales are in foreign currencies, mainly U.S. dollars, currency exchange fluctuations against the Canadian dollar are a major factor for West Fraser.



Softwood Lumber Agreement

Effective October 12, 2006 a Softwood Lumber Agreement between Canada and the United States (the "SLA 2006") came into force, having a term of seven years which may be extended for another two years by agreement. After the initial 18 months of the term, either party may terminate the SLA 2006 by providing not less than six months notice to the other.

Under the SLA 2006 the Company must pay a tax to Canada on softwood lumber it exports into the United States. The basic tax may range up to 15% for producers in British Columbia and Alberta, and will vary depending on a reference lumber price. Subject to U.S. lumber consumption and the volume of lumber shipments to the United States from either province, an additional 50% surcharge on the applicable basic tax may be levied. In certain circumstances, exporters may be entitled to a refund of up to one-third of taxes paid.

Energy

The Company's pulp, paper and MDF operations consume substantial amounts of energy. The Hinton and Cariboo pulp mills have generation facilities which produce electricity to satisfy much of their energy requirements. The linerboard and kraft paper mill at Kitimat has the capacity to generate up to one-third of its electricity requirements.

In British Columbia, electricity is purchased from the provincial utility at regulated prices based largely on generation costs. In Alberta, electricity is purchased at market prices through the Alberta power pool.

In Alberta, West Fraser is hedged against electricity market price fluctuations for a substantial volume of its electricity consumption through a long-term power purchase agreement that provides electricity at prices based largely on generation costs and inflation. West Fraser's exposure to energy costs includes the cost to purchase electricity, natural gas, gasoline, diesel fuels and fuel surcharges on purchased transportation.

Environment

West Fraser's manufacturing operations are subject to environmental protection laws and regulations. The Company has developed internal programs to ensure that its operations are in compliance with applicable laws and standards and to address any instances of non-compliance. West Fraser is committed to responsible stewardship of the environment and the continual improvement of its forest practices and manufacturing procedures to optimize the use of resources and minimize the impact of its operations on the environment. The Company has adopted an Environmental Policy, a copy of which is included in West Fraser's Annual Report and is available on its website at www.westfraser.com.

Risk Factors

A detailed discussion of risk factors is included in "Management's Discussion & Analysis – Risks and Uncertainties", which is incorporated herein by reference.

Capital Structure

Share Capital

The authorized share capital of the Company consists of 230,000,000 shares divided into:

- (a) 200,000,000 Common shares,
- (b) 20,000,000 Class B Common shares, and
- (c) 10,000,000 Preferred shares, issuable in series.

The Common shares and Class B Common shares are equal in all respects, including the right to dividends, except that each Class B Common share may at any time be exchanged for one Common share. The Common shares are listed and traded on the Toronto Stock Exchange under the symbol WFT. As at December 31, 2008, the issued share capital consisted of 39,998,608 Common shares and 2,806,478 Class B Common shares for a total of 42,805,086 shares (December 31, 2007 – 42,805,086 shares).

Credit Ratings

A description of the credit ratings accorded to West Fraser and its securities is included in the “Management’s Discussion & Analysis – Capital Structure and Liquidity”, which is incorporated herein by reference.

Market Prices

The following table sets forth market prices and trading volumes of the Company’s Common shares on the Toronto Stock Exchange for each month of 2008 and 2007.

	2008				2007	
	High (\$)	Low (\$)	Close (\$)	Volume (000’s)	Close (\$)	Volume (000’s)
January	36.17	30.02	32.25	2,421	44.20	1,593
February	34.53	31.44	32.01	1,031	44.15	4,533
March	34.57	31.10	33.65	2,185	42.30	1,270
April	36.55	33.50	35.30	1,073	40.76	1,620
May	36.40	34.43	35.36	1,222	41.50	1,678
June	36.58	33.00	33.08	923	41.56	1,859
July	34.00	28.44	32.93	921	38.00	1,902
August	39.84	32.00	39.20	1,246	39.00	2,121
September	39.13	34.89	34.89	1,791	37.65	858
October	36.50	25.00	32.01	1,512	32.10	2,888
November	35.50	27.83	29.46	1,152	29.95	4,768
December	34.95	27.07	31.80	1,033	34.77	1,377
Total				16,510		26,467

Source: <http://tradingdata.tsx.com>

Dividends

The declaration and payment of dividends is within the discretion of the Board of Directors of the Company. Historically, dividends have been declared on a quarterly basis payable after the end of each quarter. In each of 2006, 2007 and 2008, the Company declared cash dividends of \$0.56 per Common share and Class B Common share. There can be no assurance that dividends will continue to be declared and paid by the Company in the future, as the discretion of the Board of Directors will be exercised from time to time taking into account the current circumstances of the Company.

Transfer Agent

West Fraser’s transfer agent and registrar is CIBC Mellon Trust Company, with registers of transfers in Vancouver and Toronto.



Experts

West Fraser's auditors are PricewaterhouseCoopers LLP ("PwC"), who prepared the Auditors' Report included with the Company's Consolidated Financial Statements for the year ended December 31, 2008. PwC has confirmed that it is independent with respect to the Company, within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, as of February 19, 2009.

Directors and Officers

Directors

The names and municipalities of residence of the directors of the Company, their principal occupations during the past five years and the periods during which they have been directors of the Company are as follows:

Name and Municipality

of Residence	Principal Occupation	Director Since
Henry H. Ketcham Vancouver, British Columbia	Chairman, President and Chief Executive Officer	September 16, 1985
Clark S. Binkley ^{1, 3 & 4} Cambridge, Massachusetts	Managing Director, International Forestry Investment Advisors (advisory services)	February 13, 1992
J. Duncan Gibson ^{1, 2 & 4} Toronto, Ontario	Investor	April 29, 1997
William H. Ketcham ^{3 & 4} New York, New York	Managing Director, Serafin Partners LLP (private investment)	April 23, 2002
William P. Ketcham ^{1 & 4} Seattle, Washington	Chairman of the Board, Henry H. Ketcham Lumber Co., Inc. (private investment)	December 1, 1966
Harald H. Ludwig ^{2 & 4} West Vancouver, British Columbia	President, Macluan Capital Corporation (diversified private equity investments)	May 2, 1995
Brian F. MacNeill , C.M. ^{2 & 4} Calgary, Alberta	Chairman, Petro-Canada (energy, exploration, development, refining and marketing)	September 19, 2000
Robert L. Phillips ^{3, 4 & 5} Vancouver, British Columbia	Corporate Director	April 28, 2005
Janice G. Rennie ^{1, 3 & 4} Edmonton, Alberta	Corporate Director	April 28, 2004

1. Member of the Audit Committee.
2. Member of the Compensation Committee.
3. Member of the Safety & Environment Committee.
4. Member of the Governance & Nominating Committee.
5. Lead Director.

Each director has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years except for Clark S. Binkley who before April 2005 was Senior Vice-President, Hancock Natural Resource Group Inc.; William H. Ketcham who, before March 2005 was a Managing Director of Fortress Investment Group; William P. Ketcham who before January 2005 was also the President of Henry H. Ketcham Lumber Co., Inc.; Robert L. Phillips who before July 2004 was President and Chief Executive Officer of the BCR Group of Companies; and Janice G. Rennie who from September 2004 to September 2005 was Senior Vice President, Human Resources and Organizational Effectiveness with EPCOR Utilities Inc. and before September 2004 was Principal of Rennie and Associates.

The term of office of each director will expire at the conclusion of the Company's next annual general meeting.

Officers
**Name and Municipality
of Residence**
Principal Occupation
Henry H. Ketcham

Vancouver, British Columbia Chairman, President and Chief Executive Officer

D. Wayne Clogg

Victoria, British Columbia Senior Vice-President, Woodlands

Raymond W. Ferris¹

Quesnel, British Columbia Vice-President, Lumber Operations

Larry S. Hughes

Vancouver, British Columbia Senior Vice-President and Secretary

Rodger M. Hutchinson

West Vancouver, British Columbia Vice-President, Corporate Controller

Maureen F. Kuper

Burnaby, British Columbia Treasurer

William H. LeGrow²

Coquitlam, British Columbia Vice-President, Transportation and Energy

David P. Lehane

Quesnel, British Columbia Vice-President, Canadian Woodlands Operations

Christopher D. McIver

Quesnel, British Columbia Vice-President, Lumber Sales

Gerald J. Miller³

Vancouver, British Columbia Executive Vice-President, Operations

Edward R. Seraphim

North Vancouver, British Columbia Vice-President, Pulp & Paper

Martti Solin²

West Vancouver, British Columbia Executive Vice-President, Finance and Corporate Development and Chief Financial Officer

Zoltan F. Szucs

Coquitlam, British Columbia Vice-President, Panelboard

Gary W. Townsend²

Quesnel, British Columbia President, Solid Wood Products

1. Appointed Vice-President, Solid Wood Products on January 1, 2009.
2. Retired from the Company effective December 31, 2008.
3. Appointed Executive Vice-President, Finance and Chief Financial Officer on January 1, 2009.

Each officer has held the same or a similar office with the organization indicated or a predecessor thereof for the last five years except for Gerald J. Miller, who before February 15, 2007 was Executive Vice-President, Pulp & Paper and before 2005 was Group Vice-President, Pulp & Paper and Vice-President, Administration; Raymond W. Ferris, who before September 15, 2007 was Operations Manager, Solid Wood; Larry S. Hughes, who before September 1, 2007 was Secretary and a partner in the law firm Lang Michener LLP; Maureen F. Kuper, who before April 25, 2007 was Manager, Treasury Operations; David P. Lehane, who before September 15, 2007 was Operations Manager, Solid Wood and before January 2005 was the Vice-President, Wood Products, Alberta for Weldwood; Edward R. Seraphim, who before February 15, 2007 was Vice-President, Pulp & Paper Sales and Christopher D. McIver who from January 2005 to December 2005 was Lumber Sales Manager and before January 2005 was MDF Operations Manager.

Shareholdings of Directors and Officers

The directors and executive officers of the Company as a group, beneficially owned or controlled or directed, directly or indirectly, the following shares of the Company:

	December 31, 2008	Table 11 December 31, 2007
Common shares	5,391,262	5,605,237
% of total Common shares	13%	14%
Class B Common shares	911,794	911,794
% of total Class B Common shares	32%	32%
% of all shares outstanding	15%	15%

Governance

Corporate governance is guided by West Fraser's Corporate Governance Policy, a copy of which may be viewed on the Company's web site: www.westfraser.com. The Board of Directors has established a Governance & Nominating Committee comprised of all non-management directors. The Committee provides support for the stewardship and governance role of the Board in reviewing and making recommendations on the composition of the Board, the functioning of the Board and its committees, succession planning and all other corporate governance matters and practices. On the occasion of each regularly-scheduled meeting of the Board in 2008, the Committee met without management representatives present and reviewed these and other issues.

Audit Committee

The Audit Committee of the Company's Board of Directors assists the Board in fulfilling its responsibility to oversee the Company's financial reporting and audit process. The full text of the Audit Committee's Charter is attached as Schedule 1.

Members

The following identifies each current member of the Audit Committee, and the education and experience of each member that is relevant to the performance of the member's responsibilities as an Audit Committee member. All members of the Audit Committee are considered "independent" and "financially literate" within the meaning of MI 52-110.

J. Duncan Gibson

Mr. Gibson holds a Bachelor of Commerce and a Masters of Business Administration. His career spanned 27 years with the Toronto Dominion Bank, including nine years in the Corporate Banking, U.S. Division, and as Vice Chairman with responsibility for the Commercial Banking Division.

Clark S. Binkley

Dr. Binkley holds a Bachelor of Arts in Applied Mathematics and a PhD in Forestry and Environmental Studies. He was recently the Chief Investment Officer of the world's largest private equity timberland investment firm. He has served as a director of public and private forest products companies.

William P. Ketcham

Mr. Ketcham, as one of West Fraser's founders, has been involved in the Company's financial affairs since it was established in 1955. He has served as a director and member of the Audit Committee continuously since the Company's first public offering in 1986.

Janice G. Rennie

Mrs. Rennie, who holds a Bachelor of Commerce, is a Chartered Accountant. She was elected as Fellow of the Chartered Accountants in 1998. Mrs. Rennie has chaired or been a member of several audit committees of

public companies, including Teck Cominco Limited, Nova Chemicals Inc., Weldwood of Canada Limited, EPCOR Utilities Inc., Canadian Hotel Income Properties REIT and Matrikon Inc.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that sets out the pre-approval requirements related to services to be performed by the Company's independent auditors. The policy provides that the Committee will annually review proposed audit, audit-related, tax and other services (to be submitted by the Chief Financial Officer and the independent auditor), and will provide general approval of described services, usually including specific maximum fee amounts.

Unless a service has received general pre-approval, it will require specific pre-approval by the Committee. The Committee is permitted to delegate pre-approval authority to any of its members. The Committee reports on the pre-approval process to the full Board of Directors from time to time.

Fees Paid to Auditors (\$ thousands)

Table 12

	Audit Fees ¹	Audit-Related Fees ^{2,3}	Tax Fees ²	All Other ²
2008	964	173	288	3
2007	958	192	484	32

1. Represents actual and estimated fees related to fiscal year-ends.

2. Represents fees invoiced in the fiscal year.

3. For assurance and related services that are reasonably related to the performance of the audit but are not reported as "Audit Fees".

Material Contracts

On November 29, 2006, West Fraser entered into an agreement to acquire 13 sawmills for \$391 million. The transaction, which was completed on March 31, 2007, included the assignment of multi-year market price log supply agreements, which are expected to provide approximately 15% of the acquired mills' current requirements, and the entry into and assumption of long-term agreements to sell residual wood chips at market prices to the seller of the sawmills. The transaction also resulted in the termination of certain pulp supply contracts which were entered into as part of West Fraser's 2004 acquisition of Weldwood.

On March 30, 2007, the Company entered into a committed revolving \$600 million operating facility with a maturity date in 2012 and a three-year term facility of \$100 million to provide funding for the purchase of 13 U.S. sawmills. The operating facility was amended on September 16, 2008 to reflect certain covenant adjustments and other changes.

In 2006, the Company sold its interest in one of two power purchase agreements to which it was a party and concurrently acquired a further interest in the remaining agreement. This was intended to allow West Fraser to substantially hedge a constant rate of power output until 2020, when the agreement expires.

Incorporation by Reference

The sections of the Company's Annual Report entitled "Management's Discussion & Analysis" and "Six-Year Review" are incorporated herein by reference.



Additional Information

When securities of the Company are in the course of distribution pursuant to a short form prospectus, or a preliminary short form prospectus has been filed in respect of a distribution of its securities, the Company will, upon request, provide to any person:

- (a) one copy of this Annual Information Form, together with one copy of any document, or of the pertinent pages of any document, incorporated by reference in this Annual Information Form;
- (b) one copy of the comparative consolidated financial statements of the Company for the year ended December 31, 2008, together with the accompanying auditors' report, and one copy of each interim consolidated financial statement of the Company prepared for a period after December 31, 2008;
- (c) one copy of the Information Circular for the annual general meeting of the Company to be held on April 28, 2009; and
- (d) one copy of each other document that is incorporated by reference in the short form prospectus or the preliminary short form prospectus and is not described above.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase its securities, is contained in the Company's Information Circular. Additional financial information is provided in the Company's comparative consolidated financial statements for the year-ended December 31, 2008.

Copies of this Annual Information Form and the documents incorporated by reference therein, the comparative consolidated financial statements of the Company (including the auditors' report) for the year ended December 31, 2008, each consolidated interim financial statement prepared for a period after December 31, 2008, the Company's Information Circular and Annual Report may be obtained at any time upon request from the Company, but the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

This Annual Information Form, the Company's Annual Report and additional information concerning the Company may also be obtained on the web site www.westfraser.com and on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Schedule 1

Audit Committee Charter

The Audit Committee Charter, which is set out below, was approved by the Board on December 9, 2003.

General Mandate

To assist the Board in fulfilling its responsibility to oversee the Company's financial reporting and audit processes, its system of internal controls and its process for monitoring compliance with applicable financial reporting and disclosure laws and its own policies.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

- Review significant accounting and financial reporting issues, including complex or unusual transactions, significant contingencies and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the Company's financial statements.
- Review interim financial reports (including financial statements, management's discussion and analysis and related news releases) with management and the auditors before filing with regulators and consider whether they are complete and consistent with the information known to Committee members.
- Understand how management develops interim financial information, and the nature and extent of auditor involvement.
- Review with management and the auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles and provide a recommendation to the Board with respect to the approval of the statements.
- Review with management and the auditors all matters required to be communicated to the Committee under generally accepted auditing standards.

Internal Control

- Consider the effectiveness of the Company's internal control over annual and interim financial reporting, including information technology security and control.
- Understand the scope of the auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Audit

- Review the auditors' proposed audit scope and approach.
- Review the performance of the auditors, and provide recommendations to the Board with respect to the nomination of the auditors for appointment and remuneration.
- Review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditors.



Compliance

- Review the effectiveness of the system for monitoring compliance with financial reporting and disclosure laws and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and Company legal counsel regarding compliance matters.

Reporting Requirements

- Regularly report to the Board about Committee activities, issues and related recommendations.
- Provide an open avenue of communication between the auditors and the Board.
- Review any reports the Company issues that relate to Committee responsibilities.

Other Responsibilities

- Institute and oversee special investigations as needed.
- Develop and implement a policy for the approval of the provision of non-audit services by the auditors and assessing the independence of the auditors in the context of these engagements.
- Be available to receive and deal with, on a confidential basis, reports, complaints or other communications from officers or employees of the Company.
- Perform other activities related to this charter as requested by the Board.
- Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.
- Review terms of any Code of Conduct established by the Board and respond to any related compliance issues.
- Confirm annually to the Board that all responsibilities outlined in this charter have been carried out.

Qualifications and Procedures

- The composition of the Committee will comply with applicable laws including requirements for independence, unrelated to management, financial literacy and audit experience.
- The Committee will meet at least four times annually, and more frequently as circumstances dictate, and the CFO and a representative of the auditors should be available on request to attend all meetings.
- The Committee should meet privately in executive session with representatives of each of management and of the auditors to discuss any matters of concern to the Committee or such members, including any post-audit management letter.
- Minutes of each meeting should be prepared, approved by the Committee and circulated to the full Board.