



West Fraser Timber Co. Ltd.

Notice of Annual General
Meeting of Shareholders

To Be Held April 29, 2008

Information Circular

Your Participation is Important
Please Take the Time to Vote

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INVITATION TO SHAREHOLDERS

Dear Shareholders:

You are invited to attend the Annual General Meeting of Shareholders of West Fraser Timber Co. Ltd., which will take place on April 29, 2008 at 11:30 a.m., local time, at 1250 Brownmiller Road, Quesnel, British Columbia.

The items of business to be considered at the Meeting are described in the accompanying Notice of Annual General Meeting and Information Circular.

Your participation in its affairs is very important to the Company. You are encouraged to vote, which can easily be done by following the instructions enclosed with these materials.

At the Meeting, in addition to dealing with the matters described in the Notice, I will review the affairs of the Company. Also, you will have an opportunity to ask questions and to meet the Company's Directors and management.

All of our public documents, including the 2007 Annual Report and Quarterly Reports, are available on our website at www.westfraser.com. You are encouraged to access our website during the year for continuous disclosure items, including news releases and investor presentations.

I look forward to seeing you at the Meeting.

Yours sincerely,

"Henry H. Ketcham"

Henry H. Ketcham
Chair of the Board, President and
Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting (the "Meeting") of shareholders of WEST FRASER TIMBER CO. LTD. (the "Company") will be held at 1250 Brownmiller Road, Quesnel, British Columbia on April 29, 2008 at 11:30 a.m., local time, for the following purposes:

1. to receive the consolidated financial statements of the Company for its fiscal year ended December 31, 2007, together with the auditor's report on them;
2. to elect the directors of the Company to hold office until the close of the next annual meeting;
3. to appoint an auditor of the Company to serve until the close of the next annual general meeting and to authorize the directors to fix the auditor's remuneration;
4. to consider and, if deemed advisable, approve the proposed amendment of the 1997 Employee Share Purchase Plan of the Company;
5. to consider any amendment to or variation of any matter identified in this Notice; and
6. to transact such other business as may properly come before the Meeting or any adjournment of it.

An Information Circular and a copy of the Annual Report of the Company for the year ended December 31, 2007 accompany this Notice. The Information Circular contains details of matters to be considered at the Meeting. The Annual Report includes the consolidated financial statements and the auditor's report.

Shareholders registered at the close of business on March 20, 2008 will be entitled to receive this Notice and to vote at the Meeting.

A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that its shares are voted at the Meeting must complete, date and sign an acceptable form of proxy and deliver it by hand or by mail in accordance with the instructions set out in the enclosed form of proxy and in the Information Circular.

DATED at Vancouver, British Columbia, March 28, 2008.

BY ORDER OF THE BOARD

"Henry H. Ketcham"

Henry H. Ketcham
Chair of the Board, President and
Chief Executive Officer

INFORMATION CIRCULAR

(As of March 1, 2008, except as otherwise provided)

This Circular is furnished in connection with the solicitation of proxies by the Board of Directors and management of West Fraser Timber Co. Ltd. for use at the Annual General Meeting of Shareholders to be held at 1250 Brownmiller Road, Quesnel, British Columbia on April 29, 2008 (and at any adjournment thereof) for the purposes set out in the attached Notice of Annual General Meeting of Shareholders.

DEFINITIONS

Unless stated otherwise, in this Circular

“**Auditor**” means the Company's external auditor, currently PricewaterhouseCoopers LLP,

“**Board**” or “**Board of Directors**” means the board of Directors of the Company,

“**CIBC Mellon**” means CIBC Mellon Trust Company, the Company's transfer agent,

“**Circular**” means this information circular,

“**Director**” means a director of the Company,

“**Meeting**” means the Annual General Meeting of Shareholders to be held on April 29, 2008 and any adjournment of it,

“**Notice**” means the attached Notice of Annual General Meeting,

“**Share**” means a Common share or a Class B Common share in the capital of West Fraser,

“**Share Purchase Plan**” means the 1997 Employee Share Purchase Plan of the Company,

“**Shareholder**” means an owner of any Share,

“**Stock Option Plan**” means the 1994 Director, Officer and Employee Stock Option Plan of the Company as amended and restated April 25, 2007,

“**Subsidiary**” means a company controlled, directly or indirectly, by West Fraser,

“**\$**” means Canadian dollars, and

“**West Fraser**”, “**Company**”, “**we**”, “**us**” and “**our**” mean West Fraser Timber Co. Ltd.

VOTING AND PROXIES: QUESTIONS AND ANSWERS

Your vote is important. Good corporate governance begins with shareholder participation. If you cannot attend the Meeting or if you plan to attend but prefer the convenience of voting in advance, we encourage you to exercise your vote using either of the voting methods described below. Please read the following for answers to commonly asked questions regarding voting and proxies.

If your Shares are held in a street form or in a brokerage account, you may not be a registered Shareholder. Please refer to “Voting by Non-Registered Shareholders” on page 6 for a description of the procedure to be followed to vote your Shares.

Q. Am I entitled to vote?

A. You are entitled to vote if you were a registered Shareholder as of the close of business on March 20, 2008. Each Share entitles the holder to one vote.

Q. What am I voting on?

- A. The following matters:
- the election of Directors to the Board of Directors to hold office until the close of the next annual general meeting;
 - the appointment of PricewaterhouseCoopers LLP as auditor of the Company until the close of the next annual general meeting; and
 - the proposed amendment of the Company’s Share Purchase Plan.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. If you attend the Meeting in person and are eligible to vote, you may vote on such matters as you choose.

If you have completed and returned a proxy in the form enclosed, the persons named in it will have discretionary authority with respect to amendments or variations to matters identified in the Notice and to other matters which properly come before the Meeting. If any other matter properly comes before the Meeting, the persons so named will vote on it in accordance with their best judgment. As of the date of this

Circular, management of the Company does not know of any such amendment, variation or other matter expected to come before the Meeting.

Q. Who is soliciting my proxy?

A. The management of West Fraser is soliciting your proxy. Solicitation of proxies is done primarily by mail, supplemented by telephone or other contact, by Company employees, and the Company bears all associated costs.

Q. How do I vote?

- A.
- 1) If your Shares are not registered in your name, please see “Voting by Non-Registered Shareholders” on page 6.
 - 2) If you are a registered Shareholder there are two ways that you may vote your Shares:
 - (a) you may vote in person at the Meeting; or
 - (b) you may complete and sign a form of proxy appointing someone to represent you and to vote your Shares at the Meeting.

If a registered Shareholder is a body corporate or association, the form of proxy must be signed by a person duly authorized by that body corporate or association.

Completing, signing and returning a form of proxy will not prevent you from attending the Meeting in person.

Q. Must I use the enclosed form of proxy?

A. No. If you do not wish to use the enclosed proxy form, you may use any other form of proxy to appoint your proxyholder, although the Company's Articles require that a form of proxy be substantially in the form enclosed.

Q. Can I appoint someone to vote my Shares other than persons named in the enclosed form of proxy?

A. Yes. Write the name of your chosen person, who need not be a Shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint as proxyholder will attend the Meeting, and is aware that his or her appointment has been made to vote your Shares and that he or she should present himself/herself to a representative of CIBC Mellon.

Q. What if my Shares are registered in more than one name or in the name of my company?

A. If your Shares are registered in more than one name, all those registered must sign the form of proxy. If your Shares are registered in the name of your company or any name other than yours, we may require that you provide documentation that proves you are authorized to sign the form of proxy.

Q. What if I plan to attend the Meeting and vote in person?

A. If you plan to attend the Meeting and wish to vote your Shares in person, you do not need to complete or return a form of proxy. Your vote will be taken and counted at the Meeting. Please register with the scrutineer when you arrive at the Meeting.

If your Shares are not registered in your name, but you wish to attend the Meeting, please see "Voting by Non-Registered Shareholders" on page 6.

Q. What happens when I sign and return a form of proxy?

A. You will have given authority to whoever it appoints as your proxyholder to vote your Shares at the Meeting in accordance with the voting instructions you provide.

Q. What do I do with my completed form of proxy?

A. Return it to our Transfer Agent, CIBC Mellon at the address set out below so that it arrives no later than 11:30 a.m. (Vancouver time), on April 25, 2008 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the adjourned Meeting.

Q. How will my Shares be voted if my proxy is in the enclosed form with no other person named as proxyholder?

A. The persons named in it will vote or withhold from voting your Shares in accordance with your instructions. **In the absence of such instructions, however, your Shares will be voted FOR the election of the Directors nominated by management, FOR the appointment of the Auditor and FOR the proposed amendment of the Company's Share Purchase Plan.**

Q. If I change my mind, can I revoke my proxy once I have given it?

A. Yes. If you are a registered Shareholder as of the record date you may revoke your proxy with an instrument in writing (which can be another proxy with a later date) executed by you authorized in writing and delivered to CIBC Mellon, Suite 1600, 1066 West Hastings Street, Vancouver, B.C., V6E 3X1, no later than 11:30 a.m. (Vancouver time) on April 25, 2008 or to the individual chairing the Meeting on the date of the Meeting or any adjournment thereof.

Please note that your participation in person in a vote by ballot at the Meeting would automatically revoke any proxy you have given in respect of the item of business covered by that vote.

If you are not a registered Shareholder, see “Voting by Non-Registered Shareholders” on page 6.

Q. What documents are sent to Shareholders?

A. Shareholders will receive a package of the usual annual corporate documents (our 2007 Annual Report, including the Annual Information Form, the Notice, this Circular and the form of proxy).

Copies of our Annual Report, including our audited consolidated financial statements, are filed with Canadian securities regulators and are available at www.sedar.com under the Company’s profile and may also be obtained, without charge, on request from the Corporate Secretary of West Fraser or accessed on our website at www.westfraser.com.

Q. Who are the Principal Shareholders of the Company?

A. The Principal Shareholders (persons or companies that beneficially own or exercise control or direction over more than 10% of the outstanding Shares of the Company) are set out in the Circular under the heading “Principal Shareholders”.

Q. What if I have other questions?

A. If you have a question regarding the Meeting, please contact our Transfer Agent or the Corporate Secretary of West Fraser at (604) 895-2705 or by email at shareholder@westfraser.com.

Q. How can I contact the Transfer Agent?

A. You can contact the Transfer Agent at:

CIBC Mellon Trust Company
1600 - 1066 West Hastings Street
Vancouver, British Columbia V6E 3X1

Telephone: (604) 688-4330
(toll free throughout Canada: 1-800-387-0825)
Facsimile: (416) 368-2502
Email: inquiries@cibcmellon.com

Website: www.cibcmellon.com

VOTING BY NON-REGISTERED SHAREHOLDERS

Q. If my Shares are not registered in my name, how do I vote my Shares?

A. Our share register does not list non-registered or beneficial Shareholders. Their Shares are usually held in the name of an intermediary or a “nominee”, such as a trust company, securities broker or other financial institution. If you are a non-registered Shareholder, there are two ways that you can vote your Shares:

1) By providing voting instructions to your nominee

Applicable securities laws require institutional nominees to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive, or have already received with these materials, from your nominee either a request for voting instructions or a form of proxy for the number of Shares you hold. Every institutional nominee has its own mailing procedures and provides its own signing and return instructions, which you should follow carefully to ensure that your Shares are voted at the Meeting.

2) By attending the Meeting in person

The Company generally does not have access to the names of its non-registered Shareholders. Therefore, if you attend the Meeting, the Company will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder.

If you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy provided by your nominee to appoint yourself as proxyholder. If you are a non-registered Shareholder and instruct your nominee to appoint yourself as proxyholder, you should present yourself to the scrutineer of the Meeting with appropriate identification.

BUSINESS TO BE TRANSACTED AT THE MEETING

(See Notice of Annual General Meeting of Shareholders)

1) Presentation of Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2007 and the Auditor's report thereon for 2007 will be submitted to Shareholders at the Meeting, but no vote with respect to them is required or proposed to be taken. The consolidated financial statements are included in our Annual Report which is being mailed to Shareholders with the Notice and this Circular.

2) Election of Directors

The table of nominees on the following pages sets out the name of each person proposed to be nominated for election as a Director, as well as other relevant information. Management of the Company recommends the election of the nine nominees set out in the table of nominees to fill the nine positions as Director. The term of office of each current Director will expire at the conclusion of the Meeting. Each Director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company at which a Director is elected, unless the Director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The Directors may fill vacancies on the Board resulting from the death, resignation or retirement of Directors. As well, the Board is authorized to appoint up to two additional Directors to hold office until not later than the next annual general meeting.

3) Appointment of Auditor

The Auditor is to be appointed to serve until the close of the next annual general meeting of the Company, and the Directors are to be authorized to fix the Auditor's remuneration.

The Board of Directors and management of the Company, on the advice of the Audit Committee of the Board, recommend that PricewaterhouseCoopers LLP, Vancouver, Canada, be re-appointed as Auditor, at a remuneration to be fixed by the Directors.

A representative of PricewaterhouseCoopers LLP will be present at the Meeting and will have the opportunity to make a statement if the representative so desires. The representative will also be available to answer questions.

4) Amendment of Share Purchase Plan



Shareholders will be asked to consider an amendment to the Share Purchase Plan to increase by 200,000 the number of Common shares that may be issued under it, establish certain restrictions on amendments to it without Shareholder approval, lower the threshold at which participants may request that they hold directly Common shares acquired for them under it and address certain incidental housekeeping matters. A more detailed description of the proposed amendment is set out in this Circular.





INFORMATION REGARDING NOMINEES FOR ELECTION AS DIRECTORS




The following table sets out the name of each person proposed to be nominated for election as a Director, as well as that person's position in the Company, residence and principal occupation, and the date that person first became a Director. Additional information concerning compensation and security holdings of Directors is provided below the following table.

Unless otherwise indicated, the nominee has held the same or similar principal occupation with the organization set out below, or a predecessor of that organization, for the last five years. The information as to principal occupation and securities beneficially owned or controlled by each nominee has been furnished by the nominee and is not within the knowledge of the management of the Company.

The following table also sets out committee memberships of the proposed nominees as at March 1, 2008. West Fraser has four committees: Audit, Compensation, Safety & Environment, and Governance & Nominating.

<p>HENRY H. KETCHAM</p> 	<p>Director since September 16, 1985</p> <p>Henry H. Ketcham was born on December 1, 1949 and resides in Vancouver, British Columbia, Canada. He is Chair of the Board and holds the offices of President and Chief Executive Officer of the Company. He is also a director and shareholder of Ketcham Investments, Inc., which owns 3,109,745 Common shares and 1,743,228 Class B Common shares of the Company. Mr. Ketcham has been actively involved with the Company since 1973. He is a director of The Toronto-Dominion Bank.</p>
<p>CLARK S. BINKLEY</p> 	<p>Director since February 1, 1992</p> <p>Clark S. Binkley was born on December 1, 1949 and resides in Cambridge, Massachusetts, U.S.A. Since April 2005 he has been the Managing Director of International Forestry Investment Advisors, a firm he founded to provide timberland investment advisory services to sophisticated investors. Between 1998 and 2005, he was Senior Vice-President of Hancock Natural Resource Group, Inc., a timberland investment company. Between 1990 and 1998, he was the Dean of the Faculty of Forestry at the University of British Columbia in Vancouver. Dr. Binkley is the Chair of the Safety & Environment Committee and a member of the Audit Committee and of the Governance & Nominating Committee. He is a director of TimberWest Forest Corp. and of Cellfor Inc., a private forest-biotechnology company.</p>

<p>J. DUNCAN GIBSON</p> 	<p>Director since April 29, 1997</p> <p>J. Duncan Gibson was born on November 3, 1949 and resides in Toronto, Ontario, Canada. Since November 2001, he has been a business investor. Before November 2001, he was Vice-Chairman of the Commercial Banking Division of The Toronto-Dominion Bank. Mr. Gibson is the Chair of the Audit Committee and a member of the Compensation Committee and of the Governance & Nominating Committee. He is a director of FNX Mining Company Inc. and of Futuremed Health Care Income Fund.</p>
<p>WILLIAM H. KETCHAM</p> 	<p>Director since April 23, 2002</p> <p>William H. Ketcham was born on September 20, 1960 and resides in New York, New York, U.S.A. He is a Managing Director at Serafin Partners, LLP, a private equity investment firm. From July 2003 until March 2005 he was a Managing Director at Fortress Investment Group, LLC, a private equity investment firm. From December 2002 until July 2003 he was Managing Partner of Serafin Partners, LLP and from January 1999 to December 2002 he was Vice-President of Apex Learning Inc. A trust of the estate of Samuel Kendall Ketcham, of which he is a trustee and a beneficiary, owns 2,477,056 Common shares of the Company. Mr. Ketcham is a member of the Safety & Environment Committee and of the Governance & Nominating Committee. He currently does not serve as a director of any other public company.</p>
<p>WILLIAM P. KETCHAM</p> 	<p>Director since December 1, 1966</p> <p>William P. Ketcham was born on July 9, 1925 and resides in Seattle, Washington, U.S.A. He is a co-founder of the Company and has been involved in the Company's affairs since its inception. He is Chair of the Board of Henry H. Ketcham Lumber Co., Inc., a private investment company located in Seattle, and is a director and controlling shareholder of Tysa Investments, Inc., which owns 2,177,363 Common shares and 833,066 Class B Common shares of the Company. Mr. Ketcham is a member of the Audit Committee and of the Governance & Nominating Committee. He currently does not serve as a director of any other public company.</p>
<p>HARALD H. LUDWIG</p> 	<p>Director since May 2, 1995</p> <p>Harald H. Ludwig was born on November 2, 1954 and resides in West Vancouver, British Columbia, Canada. He is President of Macluan Capital Corporation, a diversified private equity investment company. Mr. Ludwig is the Chair of the Compensation Committee and a member of the Governance & Nominating Committee. He is a director, Co-Chair of the Board, and Chair of the Strategic Committee of Lions Gate Entertainment Corp. and a member of the Advisory Board of Tennenbaum Capital Partners, LLC (private equity).</p>

<p>BRIAN F. MacNEILL, C.M.</p> 	<p>Director since September 18, 2000</p> <p>Brian F. MacNeill was born on July 11, 1939 and resides in Calgary, Alberta, Canada. He is a Fellow Chartered Accountant and is Chair of the Board of Petro-Canada, a Canadian-based energy exploration, development, refining and marketing company. In that capacity, he serves also as an <i>ex officio</i> member of each committee of the Board of Petro-Canada. Before January 2001, he was President and Chief Executive Officer of Enbridge Inc. In 2007 Mr. MacNeill was the Board's Lead Director and in that capacity chaired meetings of the Governance & Nominating Committee. He is also a member of the Compensation Committee. In addition to being a director of Petro-Canada, he is a director of Telus Corporation and of The Toronto-Dominion Bank.</p>
<p>ROBERT L. PHILLIPS</p> 	<p>Director since April 28, 2005</p> <p>Robert L. Phillips was born on January 19, 1951 and resides in Vancouver, British Columbia, Canada. Before July 2004, he was President and Chief Executive Officer of the BCR Group of Companies, which was involved in rail transportation and marine terminal operations. Before joining BCR, he was Executive Vice President, Business Development and Strategy for MacMillan Bloedel Limited, and has held the position of President and Chief Executive Officer of the PTI Group Inc. and Dresco Energy Services Ltd. He also has enjoyed a prestigious law career, and was appointed Queen's Counsel in Alberta in 1991. Mr. Phillips is a member of the Safety & Environment Committee and of the Governance & Nominating Committee. He is a director of several public corporations, including Canadian Western Bank, EPCOR Utilities Inc., MacDonald, Dettwiler and Associates Ltd. and Precision Drilling Corporation. He attained degrees in chemical engineering, business and law from the University of Alberta.</p>
<p>JANICE G. RENNIE</p> 	<p>Director since April 28, 2004</p> <p>Janice G. Rennie was born on June 29, 1957 and resides in Edmonton, Alberta, Canada. She is a Fellow Chartered Accountant and is currently a corporate director. From September 7, 2004 to September 9, 2005 she was the Senior Vice-President, Human Resources and Organizational Effectiveness of EPCOR Utilities Inc., a provider of energy, water and energy-related services and products, on whose board she served for over 10 years. Before September 7, 2004, she was the Principal of Rennie & Associates, which provided investment and related advice to small and mid-sized companies. Mrs. Rennie is a member of the Audit Committee, of the Safety & Environment Committee and of the Governance & Nominating Committee. She is a director of the following public corporations: Matrikon Inc., Methanex Corporation and Teck Cominco Limited.</p>

Each nominee has consented to act as Director of West Fraser if elected. We do not contemplate that any proposed nominee will be unable to serve as a Director, but if for any reason that occurs before the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

Director Compensation

Directors' remuneration is adjusted periodically to provide competitive compensation for services provided as a Director. Current remuneration (which applies until April 29, 2008) for each Director is as follows:

Annual retainer	\$50,000
Board meeting attendance fee	\$1,500 per meeting
Annual Committee Chair retainer	\$10,000 per Committee
Annual Committee retainer	\$2,000 per Committee
Committee meeting attendance fee	\$1,500 per meeting
Lead Director retainer	\$30,000 per year
Fee for return travel of more than 7 hours	\$1,500

Annual retainers are paid monthly.

A Director who is an employee of the Company does not receive Director's fees. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings of the Board or committee meetings or otherwise on Company business.

The Company has a Directors' Share Compensation Plan (the "Compensation Plan"), the purpose of which is to enable each Director to participate in the growth of the Company by receiving Common shares in lieu of cash for services performed as Directors. Under the Compensation Plan, Common shares are issued after each quarter at a price per share equal to the weighted average of the trading price for the Common shares on the Toronto Stock Exchange for the last five trading days in the quarter.

No Common shares were issued to Directors during 2007 under the Compensation Plan.

The Company has a Deferred Share Unit Plan ("DSU Plan") which provides a structure for Directors to accumulate an equity-like holding in the Company. The DSU Plan allows Directors to participate in the growth of the Company by providing a deferred payment based on the value of a Common share at the time of redemption. Each Director may elect to receive up to 100% of annual retainers and meeting fees in deferred share units ("Units"). The Units are issued based on the Company's Common share price at the time of issue. Additional Units are issued to take into account the value of dividends paid on Common shares from the date of issue to the date of redemption. Units are redeemable only after a Director retires, resigns or otherwise leaves the Board. The redemption value is equal to the Common share price at the date of redemption. A holder of Units may elect to redeem Units in cash or in Common shares. Units qualify as equity for the purposes of the minimum equity holding requirement for Directors. For a description of the minimum equity holding requirements see page 17.

**Total Director Compensation
2007**

Director	Total Compensation Earned	Payment		
		Cash	Shares	Units ¹
Clark S. Binkley	\$83,000	\$41,500	-	\$41,500
J. Duncan Gibson	\$83,000	\$41,500	-	\$41,500
William H. Ketcham	\$65,500	\$65,500	-	-
William P. Ketcham	\$65,500	\$65,500	-	-
Harald H. Ludwig	\$69,000	-	-	\$69,000
Brian F. MacNeill	\$92,500	-	-	\$92,500
Robert L. Phillips	\$62,500	\$62,500	-	-
Janice G. Rennie	\$73,500	\$36,750	-	\$36,750

(1) Notional value (number of Units times market value of a Common share) at time of grant.

**Direct and Indirect Share and Other Holdings of Current Directors
(as at March 1, 2008 and 2007)**

	Shares ¹		Share Purchase Options		Units	
	2008	2007	2008	2007	2008	2007
Henry H. Ketcham ²	192,948	192,948	755,270	625,080	Nil	Nil
Clark S. Binkley	8,986	8,986	30,854	30,854	3,766.9	2,640.9
J. Duncan Gibson	6,475	6,475	27,527	30,854	3,794.1	2,672.4
William H. Ketcham ³	752,109	752,109	6,050	6,050	Nil	Nil
William P. Ketcham ⁴	3,010,429	3,010,429	27,527	30,854	Nil	Nil
Harald H. Ludwig	5,738	5,738	27,527	30,854	6,382.3	4,520.6
Brian F. MacNeill	1,662	1,662	18,150	18,150	8,460.5	5,963.8
Robert L. Phillips	5,000	3,500	Nil	Nil	Nil	Nil
Janice G. Rennie	500	500	Nil	Nil	4,164.3	3,158.7

- (1) Includes Common and Class B Common shares.
(2) Does not include 3,109,745 Common shares and 1,743,228 Class B Common shares of the Company held by Ketcham Investments, Inc.
(3) Does not include 2,477,056 Common shares of the Company held by a trust of the estate of Samuel Kendall Ketcham.
(4) Includes holdings of Tysa Investments, Inc.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

As of March 1, 2008, a total of 39,919,880 Common shares and 2,885,206 Class B Common shares were issued, each carrying the right to one vote.

To the knowledge of the Directors and the Named Executive Officers (as defined in this Circular) of the Company, the only persons who, as at March 1, 2008 beneficially owned or exercised control or direction over, directly or indirectly, Shares carrying more than 10% of the voting rights attached to any class of voting securities of the Company are as follows:

Name of Beneficial Holder	Title of Class	Amount Beneficially Owned or Controlled	% of Class	% of Total Votes
Ketcham Investments, Inc. ¹ Seattle, Washington	Common	3,109,745	7.8	7.3
	Class B Common	1,743,228	60.4	<u>4.1</u> 11.4
Tysa Investments, Inc. ² Seattle, Washington	Common	2,177,363	5.5	5.1
	Class B Common	833,066	28.9	<u>1.9</u> 7.0
Jarislowsky, Fraser Limited ³	Common	6,195,879	15.5	14.5
Mackenzie Financial Corporation ⁴	Common	5,540,619	13.9	12.9

- (1) Ketcham Investments, Inc. is controlled by the family of Henry H. Ketcham, the Chair, President and Chief Executive Officer of the Company.
(2) Tysa Investments, Inc. is controlled by William P. Ketcham, a director of the Company.
(3) Based on disclosure by beneficial holder as at March 1, 2004. The Company is not aware of any change in holdings since March 1, 2004.
(4) Based on public disclosure as at December 10, 2007. Held by one or more of its mutual fund and private client managed accounts over which it has discretionary authority.

APPOINTMENT OF THE AUDITOR

The current Auditor of the Company is PricewaterhouseCoopers LLP, Chartered Accountants, of 700 - 250 Howe Street, Vancouver, British Columbia. PricewaterhouseCoopers LLP has been our Auditor for more than five years.

The Auditor is appointed by the Shareholders, performs its role as Auditor of the Company's annual financial statements on their behalf, and reports the results of the audit to them. In order to assure the

Shareholders that the audit is effective, the Auditor is required to confirm to the Audit Committee its independence from management of the Company in connection with the audit. PricewaterhouseCoopers LLP has confirmed its independence from management of the Company in connection with the audit of the consolidated financial statements for the period ending December 31, 2007.

All services provided by the Auditor are subject to the pre-approval of the Audit Committee through established procedures and a written policy. Management provides regular updates to the Audit Committee of the services that the Auditor undertakes on the Company's behalf.

During 2007, the Audit Committee met with the Auditor and members of management to review the overall scope and specific plans for the audit of our consolidated financial statements. In addition, the Auditor received and discussed our unaudited quarterly financial statements and earnings releases with management and the Audit Committee as required from time to time.

The Auditor, the Audit Committee and management maintain regular and open communications regarding the audit of our financial statements. No disagreement arose among the Auditor, the Audit Committee and management of the Company on any matter affecting the audit of our financial statements.

For additional information concerning the Audit Committee and its members see "Audit Committee" in the Company's Annual Information Form for the year ended December 31, 2007 which is available at www.sedar.com under the Company's profile.

AMENDMENT OF SHARE PURCHASE PLAN

The Share Purchase Plan (the "Plan") was established in 1997 and was approved by both the Toronto Stock Exchange and Shareholders. The Plan is intended to provide eligible employees of the Company and its Subsidiaries with opportunities to acquire Common shares of the Company. To be eligible to participate in the Plan, a participant must be a permanent employee of the Company or a Subsidiary and have completed at least one year of continuous service. The Plan prohibits insiders of the Company and their associates from acquiring a majority of the Common shares issued under it. A participant may withdraw from participation in the Plan by providing notice to the Company, and a participant's enrolment will cease upon termination of employment (whether by death, retirement or otherwise). In each such case the Trustee under the Plan will deliver to the participant a share certificate for the Common shares allocated to the participant's account and refund any amount to the participant's credit in that account.

The Plan permits eligible employees of the Company to contribute, by payroll deductions, up to 10% of their earnings to acquire Common shares, which will be either issued by the Company from treasury to the Trustee under the Plan or acquired by the Trustee through market purchases on the Toronto Stock Exchange. The Plan provides that the Company either will issue Common shares from treasury at a price equal to 95% of the prescribed weighted average of the trading prices on the Toronto Stock Exchange or will contribute 5% of the amount paid by the Trustee when market purchases are undertaken. The Plan also currently provides that the maximum aggregate number of Common shares issuable by the Company under it is 100,000. The Company has nearly reached this maximum limit and only 906 Common shares remain available for issuance under the Plan. A full copy of the current Share Purchase Plan will be provided to any Shareholder upon request in writing to the Corporate Secretary, Suite 501 –858 Beatty Street, Vancouver, British Columbia, V6B 1C1 or by emailing to shareholder@westfraser.com.

Shareholders will be asked to consider an amendment to the Plan to increase by 200,000 the number of Common shares that may be issued under it, establish certain restrictions on amendments to the Plan without Shareholder approval, lower the threshold at which participants may request that they hold

directly Common shares acquired for them under the Plan and address certain incidental housekeeping matters (the “Proposed Amendment”). The Proposed Amendment has been approved by the Toronto Stock Exchange conditional upon Shareholder approval. A detailed description of the Proposed Amendment is set out in this Circular.

After issuances under the Plan in 2007, only 906 Common shares remain available for future issuances from treasury. It is considered in the best interest of the Company for it to continue to have the flexibility to issue Common shares from treasury rather than require the Trustee to make market purchases at all times. In addition, the number of employees that are eligible to participate in the Plan has grown from approximately 4,000 in 2003 to over 9,000 as at the end of 2007. The Company is proposing to amend the Plan to increase the maximum number of Common shares that may be issued under it by 200,000. If the Proposed Amendment is approved, the 300,000 Common shares authorized for issuance under the Plan would be approximately 0.70% of the total number of issued and outstanding Shares and the 200,906 Common shares available for issuance under the Plan would be less than 0.50% of the total number of issued and outstanding Shares, in each case as of March 1, 2008.

The Plan currently gives the Company the right to amend it without specifying the circumstances under which Shareholder approval is or is not required. The Board believes that, except for certain material changes to the Plan (described below under “Proposed Amendment Resolution”), it is important that the Board have the flexibility to make changes to it without Shareholder approval. Such amendments could include changes in how the Share Purchase Plan is administered including practices relating to the method of payment for Common shares and the operation of participants’ accounts, changing the threshold applicable to when participants can request that they directly hold Common shares allocated to their accounts, specifying practices with respect to applicable tax withholdings, specifying the circumstances when Common shares or money credited to a participant’s account may be transferred or used as security and changes to enhance clarity or correct ambiguous provisions in the Plan.

Each participant under the Plan will have an account maintained by the Trustee in which Common shares purchased on behalf of a participant are held in trust. Common shares and amounts credited to a participant’s account may not be assigned. The Share Purchase Plan currently provides that a participant may request that a share certificate be issued for all or some of the participant’s Common shares that are held in trust provided a minimum of 100 Common shares are represented by the certificate. The Board and management of the Company believe that participants in the Share Purchase Plan should have greater flexibility in requesting when they can directly hold Common shares acquired for them and so the Company is proposing to amend the Plan to reduce, from 100 to 25, the minimum number of Common shares that must be the subject of a share certificate request.

The Company is also proposing certain incidental and ancillary amendments to the Plan at this time. None of those changes, on its own or together with all other such changes, constitutes a material change to the Plan.

Proposed Amendment Resolution

Shareholders will be asked at the Meeting to pass the following resolution, with or without variation, relating to the Proposed Amendment:

THAT the Share Purchase Plan (the “Plan”) be amended to:

1. provide that the number of Common shares that may be allotted for issuance under the Plan be increased by 200,000 Common shares, from 100,000 to 300,000 of which 99,094 have been issued;

2. change the amendment provisions of the Plan to clarify that Shareholder approval is not required for any amendment except an amendment that:
 - (a) increases the number of Common shares issuable under the Plan;
 - (b) changes the amendment provisions of the Plan;
 - (c) has the effect of reducing the price at which the Company will issue Common shares from treasury to the Trustee under the Plan or increasing the amount the Company will contribute when market purchases of Common shares are undertaken under the Plan;
 - (d) expands the eligibility of potential participants under the Plan;
 - (e) provides for the issuance of other types of equity securities in the Company or equity securities in a Subsidiary; or
 - (f) varies the insider participation limits under the Plan;
3. reduce, from 100 to 25, the minimum number of Common shares that must be represented by a share certificate requested by a participant under the Plan; and
4. make various other incidental and ancillary amendments that are not, either individually or in the aggregate, material.

To be effective the resolution must be passed by a majority of the votes cast thereon in person and by proxy by Shareholders at the Meeting. The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote in favour of the foregoing resolution.

OUR CORPORATE GOVERNANCE POLICIES AND PROCEDURES

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to Multilateral Instrument 52-110 Audit Committees (“MI 52-110”) which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

Governance Policy

Our Board of Directors believes that sound governance practices are essential to the effective and efficient operation of the Company and to the enhancement of Shareholder value. We established a corporate governance policy (the “Governance Policy”) in 2002 which was updated and re-approved by our Board in 2007. The full text of the Governance Policy may be reviewed on our website at www.westfraser.com.

The following disclosure has been prepared under the direction of our Governance & Nominating Committee and has been approved by the Board.

Board Chair

Henry H. Ketcham has served as the Chief Executive Officer and President of the Company since 1985. In 1996 he assumed the role of Board Chair. The Board has considered the issue of the Board Chair's relationship with management in the context of the need to ensure the Board's independence from management and has determined that the Board Chair is sufficiently aligned with Shareholder interests to ensure Board independence from management. The Board Chair is a director and shareholder, and is related to the other directors and shareholders, of Ketcham Investments, Inc., whose shareholdings are described under "Principal Shareholders" on page 12. Ketcham Investments, Inc. acts in concert with Tysa Investments, Inc. which is also a principal Shareholder of the Company. The Board considers that these relationships assure that the Board Chair is closely aligned with Shareholder interests and that separating the position of Board Chair from executive functions is an unnecessary step. However, the Board has established the position of Lead Director to ensure that the Board's independence from management is clear in appearance as well as in fact.

Lead Director

Brian MacNeill served as Lead Director during 2007. In February 2008 the Board designated Robert Phillips to act as Lead Director and it is anticipated that he will continue in that role for the balance of 2008. The Board has stipulated that if, and as long as, the Board Chair is also a member of management, the Board will ensure that one of its non-management Directors is appointed as Lead Director. The Lead Director's role is to focus on enhancing the effectiveness of the Board and to help ensure that it functions in an independent and cohesive fashion. In addition, the Lead Director participates in setting agendas for Board meetings, chairs meetings of the Governance & Nominating Committee of the Board, acts as a liaison between members of the Board and management when necessary, and ensures that the Board has the resources necessary to effectively carry out its functions.

Governance & Nominating Committee

The Board has established a Governance & Nominating Committee comprised entirely of non-management Directors. The mandate of the Committee is summarized later in this Circular under "Committees of the Board". The Board, through the Committee, monitors changes to the regulatory, business and investment environments with respect to governance practices and regularly reviews governance issues with a view to ensuring that both our Governance Policy and the actual practice of the Company continue to serve the best interests of our Shareholders, employees and other stakeholders. The Committee also focuses on the performance of the President and Chief Executive Officer and management succession.

Code of Conduct

In 2004 our Board approved a Code of Conduct for the Company and its Directors, officers and employees. The Code sets out expectations for safety and health, environmental stewardship, conflicts of interest, ethical conduct and other areas. The Code includes an acknowledgement with respect to compliance to be confirmed by each Director and each member of management. The Code also establishes a "whistle-blower" procedure for the reporting of potential breaches of the Code to a non-management person. The full text of the Code of Conduct may be viewed on our website at www.westfraser.com.

Charters

The Board has developed and approved formal charters for each of the Audit, Governance & Nominating and Safety & Environment Committees as well as formal position descriptions for each of the positions of

Board Chair, Lead Director and Chief Executive Officer. The Board Chair's general mandate is to ensure the effective and independent conduct of the Board. The Lead Director's general mandate is to plan and chair meetings of the Governance & Nominating Committee, and the Chief Executive Officer's general mandate is to implement the Company's strategic and operating plans and enhance Shareholder value. These materials may be viewed on our website at www.westfraser.com.

Minimum Share Ownership

Finally, on the recommendation of our Compensation Committee, we have developed a minimum requirement with respect to ownership of Shares by Directors. Each Director is expected to acquire and hold a minimum of 5,000 Shares of the Company or the equivalent in Units issued under the DSU Plan. As a transition, each Director will have a period until the later of the fifth anniversary of the date of the Director's first election or appointment as a Director and February of 2010 to acquire the minimum holding. For a description of the DSU Plan see page 11.

Mandate of the Board

Our Board has expressly assumed overall responsibility for the stewardship of the Company, including responsibility for (i) adoption of a strategic planning process and approval of a strategic plan, (ii) identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, (iii) succession planning, including appointment, training and monitoring of senior management of the Company, (iv) implementation of a communication policy for the Company regarding disclosure of corporate information, and (v) ensuring the integrity of the Company's internal control and management information systems including accounting systems.

The Board met five times in 2007 at five regularly scheduled meetings. During the regularly scheduled meetings the Board received, reviewed and contributed to management's strategic planning and operating and capital plans, taking into account identified business opportunities and business risks. In conjunction with the ongoing planning process, the Board regularly reviews, with management, the strategic environment, the emergence of new opportunities and risks, and the implications for the strategic direction of the Company.

The Board has, with the advice of management, identified the principal risks of the Company's business and has overseen management's establishment of systems and procedures to ensure that these risks are monitored. These systems and procedures provide for the effective management of the Company's manufacturing assets, forest resources and financial resources, and compliance with all regulatory obligations.

The Board receives and reviews regular reports on the Company's operations, including reports dealing with safety and environmental issues.

The Board is responsible for the supervision of senior management of the Company to ensure that the operations of the Company are conducted in accordance with objectives set by the Board. All appointments of senior management are approved by the Board. As part of the Company's planning process, succession planning for senior management positions is regularly reviewed and discussed.

Corporate Disclosure Policy

The Board has, as part of our Governance Policy, approved a Corporate Disclosure Policy that is intended to ensure that all material information relating to the Company is communicated appropriately to our Shareholders and the public. The Policy also applies to the dissemination of annual and quarterly reports, press releases and environmental reports. The Corporate Disclosure Policy may be viewed on our website

at www.westfraser.com. In addition to annual general meetings, meetings are held from time to time each year between management and various investors, investment analysts, credit rating agencies and financial institutions, all of which are governed by the Corporate Disclosure Policy.

Audit Committee

The Board, through the Audit Committee, is responsible for overseeing the Company's financial reporting and audit process and ensuring that management has designed and implemented an effective system of internal controls and management information systems. The Audit Committee generally meets twice annually with the Auditor to discuss the annual audit. These meetings are in addition to regular meetings, in which the Auditor participates, during which the Audit Committee reviews and approves the Company's quarterly reports. The Audit Committee has complete and unrestricted access to the Auditor.

Decisions Requiring Prior Approval by the Board

The Board has overall responsibility for the stewardship of the Company. Any responsibility that is not delegated to management or to a committee of the Board remains with the full Board. The Company maintains policies with respect to matters requiring prior approval of the Board. These policies, and understandings between management and the Board through previous Board practice and accepted legal practice, require that the Company's annual operating and capital plans, significant capital expenditures and all transactions or other matters of a material nature involving the Company or any of its Subsidiaries must be presented by management for approval by the Board.

Shareholder Feedback and Concerns

In addition to the information provided to Shareholders in connection with the annual general meetings of Shareholders and the continuous disclosure requirements of securities regulatory authorities, we maintain a policy of ongoing communication with investors and with representatives of the investment community. This process consists of periodic meetings with investment fund managers and investment analysts as well as individual investors and Shareholders, although always in circumstances that assure full compliance with disclosure requirements. All news releases issued by us are available for viewing on our website at www.westfraser.com. Inquiries by Shareholders are directed to, and dealt with by, senior management. All communications are subject to the Company's Corporate Disclosure Policy.

Expectations of Management

The Board has determined its expectations of management, which include provision of information and implementation of processes that enable the Board to identify risks and opportunities for the Company, the identification of appropriate comparisons and benchmarks against which the Company's performance may be measured, and the provision of data that permits the Board to monitor ongoing operations, and management understands these expectations. As part of the ongoing process of monitoring the performance of management, at each Board meeting the Board receives operational updates on each business unit of the Company. These updates compare actual performance to the Company's annual forecast and historical results and include a discussion of all significant variances.

As part of the monitoring process, the President and Chief Executive Officer submits to the Board at the beginning of each year a written report setting out goals, expectations and priorities for the year. These are reviewed by the Board and may be varied based on the Board's comments. At the end of the year, a report is submitted to the Board by the President and Chief Executive Officer that sets out achievements relative to the original goals and expectations. Both the Board and the President and Chief Executive Officer expect that the level of those achievements will be taken into account when establishing the executive's compensation for the following year.

Composition of the Board

We are required to disclose which of our Directors are, or are not, “independent” as that term is used in MI 52-110. Seven of nine of our Directors are independent. Below is a summary of the basis of our determinations:

Name	Determination and Basis
Henry H. Ketcham	Non-Independent Basis for Determination: Serves as Chair, President and Chief Executive Officer of the Company.
William H. Ketcham	Non-Independent Basis for Determination: Sibling served as an executive officer of the Company within past three years, which period will expire on December 14, 2008.
Clark S. Binkley	Independent
J. Duncan Gibson	Independent
William P. Ketcham	Independent
Harald H. Ludwig	Independent
Brian F. MacNeill	Independent
Robert L. Phillips	Independent
Janice G. Rennie	Independent

William H. Ketcham, a Director, is the brother of Sam Ketcham who served as our Vice-President, Administration until December 13, 2005. As such he is not considered independent under MI 52-110 and does not qualify to serve as a member of the Audit Committee. William H. Ketcham also is the cousin of Henry H. Ketcham, the Company’s Chair, Chief Executive Officer and President, is a nephew of William P. Ketcham, a Director of the Company, and is a trustee of one of West Fraser’s principal Shareholders. The Board has considered these relationships and interests, including the shareholding interests of Henry H. Ketcham and Sam Ketcham, and has determined that William H. Ketcham is sufficiently independent of management of the Company and has interests aligned with Shareholders to an extent that qualifies him to be a member of the Governance & Nominating Committee and make a valuable contribution in that role.

William P. Ketcham is one of three founders of the Company and is an uncle of Henry H. Ketcham, William H. Ketcham and Sam Ketcham. He also controls one of the Company’s principal Shareholders, Tysa Investments, Inc. – see page 12 – “Voting Securities and Principal Shareholders”. The Board has considered these relationships and interests, including the shareholding interests of his three nephews, and has determined that William P. Ketcham is sufficiently independent of management and has interests aligned with Shareholders to an extent that qualifies him to be a member of the Audit Committee and Governance & Nominating Committee and make a valuable contribution in those roles.

The Governance & Nominating Committee, which is comprised of all Directors other than Henry H. Ketcham, the Company’s Chair, Chief Executive Officer and President, meets without any members of management present as part of each regularly scheduled meeting of the Board. There were five such meetings during 2007. However, because William H. Ketcham is a member of the Governance & Nominating Committee, such meetings do not technically qualify as meetings of the independent Directors where all non-independent Directors are not in attendance. However, the Governance & Nominating Committee has determined that the presence of William H. Ketcham at its meetings does not inhibit open and candid discussion among its independent Directors and that William H. Ketcham plays an important and valuable role as a member of the Committee.

Committees of the Board

The Board has concluded that, because of its relatively small size, committees of the Board should be kept to a minimum so that all members of the Board are able to participate in discussions on significant issues. Matters that are outside of management's authority are reported to and approved by the Board.

Committees of the Board may engage outside advisors at the expense of the Company. Under the Governance Policy an individual Director may, with the approval of the Board, retain an outside advisor at the Company's expense.

The Board has appointed the following four committees of the Board, each of which is comprised entirely of Directors who are not members of management of the Company: Audit, Compensation, Safety & Environment, and Governance & Nominating.

Audit Committee

Chair: J. Duncan Gibson

Other Members: Clark S. Binkley
William P. Ketcham
Janice G. Rennie

The full text of the Audit Committee Charter is available for viewing on our website at www.westfraser.com. The Audit Committee is responsible for reviewing our annual financial statements and making recommendations as to approval of the annual financial statements by the Board. Material issues related to the audit of our internal control and management information systems are discussed with the Committee as they arise. The Committee has also been delegated the authority to approve certain of our quarterly financial statements and quarterly earnings announcements before publication. The Audit Committee has direct access to the Auditor and is responsible for approving the nomination, and establishing the independence, of the Auditor. The role of the Committee has been discussed at various times with our Auditor.

Under MI 52-110, the Audit Committee must be comprised of independent directors. An "independent director" is a director that has no direct or indirect material relationship with the Company, including not being affiliated with management or the Company in terms of specific family or commercial relationships. William P. Ketcham is the uncle of Henry H. Ketcham, the Company's Chair, Chief Executive Officer and President, but this relationship does not disqualify him from serving as a member of the Audit Committee. The Board has considered this relationship and William P. Ketcham's interests as a founder and principal Shareholder of the Company, as well as his long-term participation in the oversight of the financial and operational affairs of West Fraser, and has determined that his participation as a member of the Audit Committee is in the best interests of all Shareholders.

Additional disclosure concerning the Audit Committee is contained in the Company's Annual Information Form, which is included in the Company's Annual Report, under the heading "Audit Committee".

Compensation Committee

Chair: Harald H. Ludwig

Other Members J. Duncan Gibson
Brian F. MacNeill

The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to the remuneration of senior management of the Company and the remuneration of each Director, and has the authority to grant share purchase options (“Options”) to officers and employees under our Stock Option Plan. This Committee reviews the remuneration of Directors and senior management each year.

In 2004 the Committee recommended to the Board that Directors no longer be eligible to receive Options as part of their compensation. The Board has adopted and approved this recommendation as well as the introduction of the DSU Plan as part of a series of changes to the Company's Director compensation policies. For more details, see “Director Compensation” beginning on page 10.

Safety & Environment Committee

Chair: Clark S. Binkley

Other Members: William H. Ketcham
Robert L. Phillips
Janice G. Rennie

The Safety & Environment Committee is responsible for monitoring the Company's safety and environmental performance. The Committee conducts an ongoing review of the Company's safety and environment-related policies and performance, including compliance with applicable laws and regulations. The Committee also reviews the suitability and effectiveness of safety and environment management systems and environment sustainability certification programs to which the Company subscribes. The Charter of the Safety & Environment Committee may be viewed on our website at www.westfraser.com. Although William H. Ketcham is not considered independent under MI 52-110, the Safety & Environment Committee believes that he is in fact sufficiently independent of management and has interests sufficiently aligned with Shareholders in order to make him a valuable member of the Committee.

Governance & Nominating Committee

Chair: Robert L. Phillips*

Other Members: Clark S. Binkley
J. Duncan Gibson
William H. Ketcham
William P. Ketcham
Harald Ludwig
Brian F. MacNeill*
Janice G. Rennie

(* Mr. Phillips replaced Mr. MacNeill as Lead Director and Chair of the Committee on February 20, 2008.)

The Governance & Nominating Committee is comprised of each Director who is not a member of management. The Charter of the Committee may be viewed on our website at www.westfraser.com. The Committee is responsible for providing support for the governance role of the Board and, as part of that support, reviews and makes recommendations on the composition of the Board, periodically assesses the function of the Board and its Committees, and monitors developments in corporate governance. In addition, this Committee is responsible for establishing criteria and procedures for identifying candidates for election to the Board, engaging search firms, where necessary, and recommending (to the Board)

nominees to stand for election as Directors. The Committee also regularly assesses the performance of the President and Chief Executive Officer and reviews and assesses succession plans for management submitted to it on a regular basis. Although William H. Ketcham is not considered independent under MI 52-110, the Governance & Nominating Committee believes that he is in fact sufficiently independent of management and has interests sufficiently aligned with Shareholders in order to make him a valuable member of the Committee.

Orientation Program and Continuing Education

New Directors receive a broad range of materials that provide both historical and forward-looking information concerning West Fraser, its operations, senior management and the Board, and its strategic objectives. As part of our orientation program, new Directors have an opportunity to meet with senior management to discuss the business of the Company, receive historical and current operating and financial information and may tour facilities of the Company.

We do not have a formal continuing education program for our Directors. Each of our Directors has had, or currently has, executive or board of director responsibilities and there is a regular sharing of those experiences which assists our Board in identifying and adopting, on a continuing basis, best corporate practices.

Performance Reviews

The Governance & Nominating Committee regularly, and not less frequently than annually, reviews the performance of the Board and its Committees. This review has been conducted both by way of a formal questionnaire and report and by informal interviews and discussions led by the Lead Director. To date no significant problem with respect to performance of the Board or any Committee has been identified.

The Board has also considered a “peer” or individual director review process and has determined that the size of the Board, the significant interaction of Directors at both Board and committee levels and the role of the Lead Director position make this additional review process unnecessary.

Meeting Attendance Record

In 2007 the attendance record for Board meetings was 98% and for Committee meetings was 95%. The following chart sets out meeting attendance records of our Directors during 2007.

Director	Board Meetings	Committees			
		Audit	Compensation	Safety & Environment	Governance & Nominating
H.H. Ketcham	5 of 5	—	—	—	—
C.S. Binkley	5 of 5	5 of 6	—	2 of 2	5 of 5
J.D. Gibson	5 of 5	6 of 6	2 of 2	—	5 of 5
W.H. Ketcham	5 of 5	—	—	2 of 2	5 of 5
W.P. Ketcham	5 of 5	4 of 6	—	—	5 of 5
H.H. Ludwig	4 of 5	—	2 of 2	—	4 of 5
B.F. MacNeill	5 of 5	—	2 of 2	—	5 of 5
R.L. Phillips	5 of 5	—	—	2 of 2	5 of 5
J.G. Rennie	5 of 5	6 of 6	—	2 of 2	5 of 5

Age Limitation

In 1994 the Board approved a requirement that any nominee for Director be less than age 70. Directors who were serving in that capacity at that time (including Clark S. Binkley, Henry H. Ketcham and William P. Ketcham) were exempted from this requirement.

EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS

Report on Executive Compensation

The policy of the Compensation Committee with respect to executive compensation is to provide compensation to executive officers in the form of a base salary, employment benefits, performance-related bonus and long-term incentives such as share purchase options in order to attract and retain a highly motivated, cohesive and results-oriented management team. Total compensation for executive officers is designed to be competitive with that provided by comparable companies in Canada to executive officers in similar positions as well as to align the interests of executive officers with those of our shareholders. Each of the components of total compensation, being base salary, annual incentive bonuses and long-term incentive share purchase options, are established based on the following criteria:

Base Salary	– to be competitive with median salaries for comparable positions
Annual Incentive Bonus	– based on the financial performance of the Company above a minimum return of shareholders' equity
Long-Term Incentive (Share Purchase Options)	– to be competitive at the 75 th percentile for comparable positions in respect of long-term incentives

In total, the compensation package is designed to compensate executive officers for above-average, long-term, sustainable financial results.

In establishing the compensation for the executive officers, including the Chief Executive Officer, the Committee considers competitive salaries for similar positions in Canada. This includes manufacturing companies in other sectors as well as in the forest products sector. The Company uses and periodically participates in broad-based compensation surveys prepared by independent consulting firms. This information along with Company-specific data is used to establish the compensation for executive officers.

Composition of the Compensation Committee

The Compensation Committee currently consists of three independent Directors. This Committee meets periodically to review matters relating to the compensation of Directors and executive officers. The Board gives final approval on all matters relating to the compensation of Directors and executive officers of the Company, although Options may be granted under the Stock Option Plan by the Compensation Committee. None of the members of the Compensation Committee is indebted to the Company.

Base Salaries

The Compensation Committee reviews base salaries and considers annual adjustments effective in October of each year. The most recent review of base salaries was conducted in September, 2007.

In determining its recommendation for the base salary for each executive officer, the Committee seeks to place the executive in the mid-range of total compensation for executives in comparable circumstances. It has become increasingly difficult to identify meaningful comparisons, particularly in light of the long

service of many of the Company's officers and relatively distinctive management structure of the Company. As a result, the Committee has also taken into account certain benchmarking measures generated from within the executive management structure. The Committee also considers the financial performance of the Company as a whole when considering base salary adjustments. In 2007 no general salary adjustment was made to base salaries of executive officers.

Bonus Plan

The bonus plan (the "Bonus Plan") covers the Named Executive Officers and other Vice-Presidents of the Company. The Bonus Plan is designed to compensate these officers based on the financial performance of the Company as a whole. The bonus is calculated as a percentage of current salary, with the percentage based on the annual return on average Common Shareholders' equity ("ROE") above a minimum return. If annual ROE is below 5% no bonuses are payable under the Bonus Plan. At the 5% ROE level, bonuses for officers other than the Chief Executive Officer (the "CEO") are 17.5% of Base Salary and the bonus percentage increases on a straight-line basis up to 100% at a 15% ROE level, which is the maximum bonus percentage. In any year, the bonus percentage for the CEO is equal to 125% of the bonus percentage for other officers covered by the Bonus Plan.

The Board may also consider other issues, including safety performance, when determining bonuses under the Bonus Plan.

In 2007 the ROE was less than the minimum amount required under the Bonus Plan and, as a result, no performance bonuses were earned by the officers of the Company covered by the Bonus Plan in respect of that year.

In 2007 the Board approved bonuses totalling \$3,340,680 in respect of 2006 as ROE exceeded 15%.

Stock Option Plan

The Board established the Stock Option Plan on February 24, 1994 to recognize contributions made by Directors, officers and employees and to provide a long-term incentive for their continuing relationship with the Company and its subsidiaries. Directors ceased to participate under the Stock Option Plan in 2004. The Stock Option Plan has been amended from time to time, most recently effective April 25, 2007 to increase by 1.5 million the number of Common shares that may be issued under options ("Options") granted under it, to impose certain limits on the number of Options that may be issued to insiders of the Company, to establish certain restrictions on amendments to the Stock Option Plan without Shareholder approval, to provide for certain automatic extensions for Options expiring during or within five business days of a blackout period under the Company's Securities Trading Policy, and to address certain incidental housekeeping changes. These amendments were approved by both the Toronto Stock Exchange and Shareholders.

As of March 1, 2008, taking into account Options that have terminated or been cancelled, including those surrendered under the Cash Value Alternative, the total number of Common shares that may be issued upon the exercise of the outstanding Options under the Stock Option Plan is 2,893,605, the weighted-average exercise price per Common share that may be issued under the outstanding Options is \$36.521, and the total number of Common shares remaining available for future issuance pursuant to Options granted under the Stock Option Plan is 1,066,689, which results in a total of 3,960,294 Common shares reserved for issuance pursuant to Options granted under the Stock Option Plan representing 9% of the total number of issued and outstanding Common shares and Class B Common shares as of March 1, 2008. However, since the introduction of the Cash Value Alternative under the Stock Option Plan, most Options have been surrendered for cash rather than exercised for Common shares, which has reduced the dilutive effect of outstanding Options. See "Option Grants" on page 27.

The policy of the Compensation Committee is to award Options to officers and key employees in amounts that are at the 75th percentile of long-term compensation awards granted to officers and employees of other corporations in similar circumstances. As a result, a significant portion of executive compensation is tied to the financial success of the Company and the long-term increase in the value of its Common shares.

In February 2008 the Compensation Committee granted Options to purchase a total of 552,100 Common shares under the Stock Option Plan while in 2007 Options to purchase a total of 455,500 Common shares were granted. The total number of Common shares that are subject to outstanding Options as at March 1, 2008 is 2,893,605 of which 1,644,801 are exercisable. Of these outstanding Options, 1,396,371 Common shares that are subject to such Options were held by insiders representing 3% of the total number of issued and outstanding Common shares and Class B Common shares as of March 1, 2008.

Chief Executive Officer's Compensation

In recommending the compensation of the Chief Executive Officer, the Compensation Committee follows the same principles as are applied for all other executive officers of the Company. The Committee considers market competitive salary information for CEO positions in similar-sized companies in Canada. This includes manufacturing companies in other sectors as well as in the forest products sector. The Company periodically participates in broad-based compensation surveys and also periodically seeks the advice of independent compensation consultants engaged to review our executive compensation program. This information, along with Company-specific data, is used to determine the competitiveness of the Chief Executive Officer's compensation and its alignment with the interests of Shareholders. The Chief Executive Officer establishes, with guidance and direction from the Board, annual goals and reports to the Board at the end of each year on his performance against those goals. The Compensation Committee considers this performance when considering its recommendation of compensation of the Chief Executive Officer.

In 2007 Henry H. Ketcham earned a base salary of \$717,500, which represents an increase of 1.9% over his 2006 base salary. Mr. Ketcham received no bonus in respect of 2007 compared to a bonus of \$896,850 in respect of 2006. In February, 2007 Mr. Ketcham was granted Options to purchase 123,000 Common shares at an exercise price of \$45.20 while in February 2006 he was granted Options to purchase 45,000 Common shares at an exercise price of \$41.19. For further particulars, see "Compensation of Named Executive Officers".

Summary

The Compensation Committee is responsible for recommending to the Board the level and nature of compensation for executive officers and Directors and may grant Options to officers and employees under the Stock Option Plan. In making its determinations, the Committee has access to comparative data and receives advice from selected independent consultants.

Submitted by the Compensation Committee:

H.H. Ludwig (Chair)

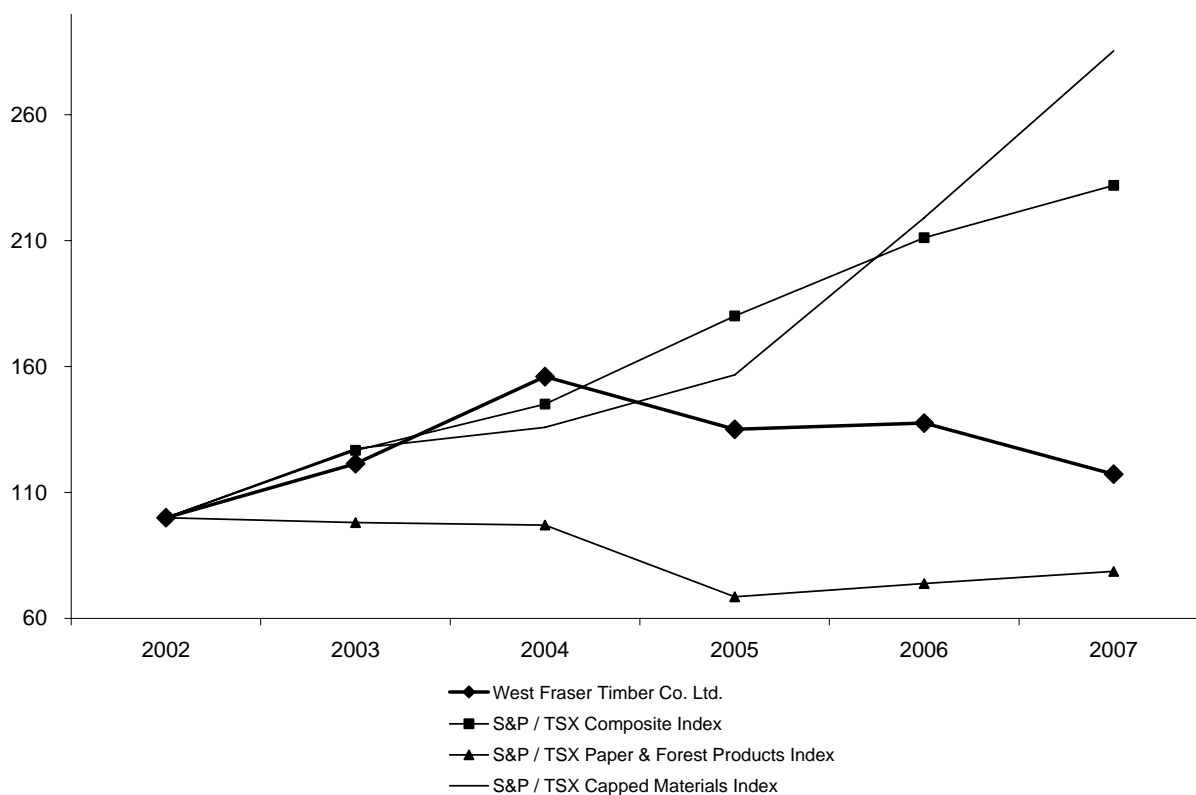
J.D. Gibson

B.F. MacNeill

Performance Graph

The following graph compares the total cumulative return to a Shareholder who invested \$100 in Common shares of the Company on December 31, 2002 with the cumulative total return of the S&P/TSX

Composite Index, the TSX Paper & Forest Products Index and the S&P/TSX Capped Materials Index for the same period.



December 31^{1,2}

	2002	2003	2004	2005	2006	2007
West Fraser Timber Co. Ltd.	100	121	156	135	138	117
S&P/TSX Composite Index	100	127	145	180	211	232
S&P/TSX Paper and Forest Products Index	100	98	97	69	74	79
S&P/TSX Capped Materials Index ³	100	127	136	157	219	285

Notes:

- (1) All returns are expressed on a total return basis (all cash and stock dividends reinvested in the index or security).
- (2) All information per Bloomberg.
- (3) S&P/TSX Capped Materials Index was previously called S&P/TSX Canadian Materials Index. Name change was effective May 1, 2003.

Compensation of Named Executive Officers

During the financial period ended December 31, 2007, the aggregate direct remuneration paid or payable to Directors and executive officers by the Company and its Subsidiaries, all of whose financial statements are consolidated with those of the Company, was \$4,463,897 (2006 - \$7,703,385).

For the purposes of the following disclosure, the following officers are each a “Named Executive Officer” of the Company:

Henry H. Ketcham, Chair, President and Chief Executive Officer,
D. Wayne Clogg, Senior Vice-President, Woodlands,
Gerald J. Miller, Executive Vice-President, Operations,
Martti Solin, Executive Vice-President, Finance and Corporate Development and Chief Financial Officer, and
Gary W. Townsend, President, Solid Wood Products.

The compensation of each of the Named Executive Officers for the Company's three most recently completed financial years is set out below:

Summary Compensation Table

Name and Principal Position	Year	Annual			Long-Term	All Other Compensation (\$) ²
		Salary (\$)	Bonus (\$) ¹	Other Annual Compensation (\$) ²	Securities Under Options/SARS Granted (#) ³	
Henry H. Ketcham Chair, President and Chief Executive Officer	2007	717,500	—	—	123,000	—
	2006	704,370	896,850	—	45,000	—
	2005	662,500	121,050	—	51,660	—
D. Wayne Clogg Senior Vice-President, Woodlands	2007	283,250	—	—	16,000	—
	2006	261,630	266,520	—	13,700	—
	2005	249,125	57,288	—	17,510	—
Gerald J. Miller Executive Vice-President, Operations	2007	396,875	—	—	37,000	—
	2006	377,340	384,360	—	34,700	—
	2005	330,000	83,205	—	19,300	—
Martti Solin Executive Vice-President, Finance and Corporate Development and Chief Financial Officer	2007	396,875	—	—	37,000	—
	2006	373,590	384,360	—	34,300	—
	2005	317,500	77,298	—	19,300	—
Gary W. Townsend President, Solid Wood Products	2007	396,875	—	—	37,000	—
	2006	377,340	384,360	—	34,700	—
	2005	330,000	83,205	—	19,300	—

(1) Bonuses are paid in cash in the year following the year in which they are earned.

(2) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of total compensation for any of the Named Executive Officers.

(3) See "Executive Compensation Discussion & Analysis – Report on Executive Compensation - Stock Option Plan". The Company does not maintain any other long-term incentive plan for officers.

Option Grants

Under the Stock Option Plan, the exercise price of an Option per Common share will not be less than the closing price of the Common shares on the Toronto Stock Exchange on the last trading day before the Option is granted. The length of the term of Options will be fixed by the Board or the Compensation Committee at not more than ten years and, unless otherwise determined by the Board or the Compensation Committee, Options vest at the rate of 20% per year over the first five years of the term.

Under the Stock Option Plan, Options may not be exercised after a holder ceases to be an eligible participant except: that (a) an Option held on the death of an Option holder may be exercised by the personal representative of the holder during the period ending on the earlier of its expiry date and two years after the date of death, (b) an Option held on the retirement or total disability of an Option holder

may be exercised during the period ending on the earlier of its expiry date and five years after the date of retirement or disability, and (c) a vested Option held in any other case, may be exercised no later than the earlier of its expiry date and 30 days after the particular time. Options are not assignable, other than those that may be exercised by the personal representative of a deceased holder.

The number of Common shares subject to an Option, the exercise price per Common share and the total number of Common shares that may be made subject to Options under the Stock Option Plan will be adjusted proportionately in the event of any subdivision or consolidation of Common shares or any dividend payable in Common shares and will be adjusted as determined by the Board in the event of certain other reorganizations or other events affecting the Common shares.

The Stock Option Plan permits outstanding vested Options to be surrendered by the holder to the Company in return for a cash payment (the "Cash Value Alternative"). The cash payment for a surrendered Option is equal to the amount by which the weighted average price per share at which the Common shares were traded on the Toronto Stock Exchange on the last trading day exceeds the exercise price per Common share applicable to the Option multiplied by the number of Common shares underlying the Option and the amount determined by the Compensation Committee as representative of the estimated costs avoided by the Option holder (such as trading commissions) by virtue of electing the Cash Value Alternative. As a result, the Company reflects changes in the potential liability under the Cash Value Alternative as an expense item in its consolidated financial statements. Since implementation of the Cash Value Alternative, Options representing a total of 894,620 Common shares have been surrendered pursuant to it while only 53,403 Common shares have been issued on the exercise of outstanding Options. Management of the Company believes that the Stock Option Plan, with the Cash Value Alternative, operates in a manner similar to the types of long-term incentive plans currently recommended by major institutional shareholder groups for public companies in North America.

The Stock Option Plan restricts the Option holdings of insiders. It provides that: (a) annual grants of Options to insiders may not be for a number of Common shares that exceeds 1% of the total number of outstanding voting securities of the Company (the "Issued Shares"); (b) no single insider may hold, at any time, Options to acquire a number of Common shares that, together with all other Common shares issuable to the insider under any other equity compensation arrangements then in place ("Other Arrangements"), would exceed 5% of the Issued Shares; (c) the total number of Options held, at any time, by insiders cannot allow them to acquire a number of Common shares that, together with all other Common shares issuable to insiders under any Other Arrangements, would exceed 10% of the Issued Shares; and (d) the number of Common shares that may be acquired by all insiders during any 12 month period by exercising Options, together with all other Common shares issuable to insiders under any Other Arrangements, may not exceed 10% of the Issued Shares.

The Board has the power to amend, suspend, terminate or discontinue the Stock Option Plan provided that doing so will not adversely alter or impair any Option without the written consent of the holder. This power includes the right to make appropriate adjustments to outstanding Options in the event of certain corporate transactions, to add provisions requiring forfeiture of Options in certain circumstances, to specify practices with respect to applicable tax withholdings, and to enhance clarity or correct ambiguous provisions in the Stock Option Plan. Notwithstanding this power, the Stock Option Plan provides that the Board may not, without Shareholder approval, amend the Stock Option Plan or an Option to: increase the number of Common shares that may be issued; reduce the subscription price of an outstanding Option; extend the term of any Option beyond its expiry date or allow for an expiry date to be greater than ten years; allow non-permitted assignments or exercises of Options; expand the persons entitled to participate in the Stock Option Plan; or provide for other types of equity based compensation.

The Options granted to each of the Named Executive Officers during the financial year ended December 31, 2007 pursuant to the Stock Option Plan were as follows:

Options/SAR Grants During The Most Recently Completed Financial Year

Name	Securities Under Options/SARs Granted⁽¹⁾ (#)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Henry H. Ketcham	123,000	27.0	45.20	45.20	February 15, 2017
D. Wayne Clogg	16,000	3.5	45.20	45.20	February 15, 2017
Gerald J. Miller	37,000	8.1	45.20	45.20	February 15, 2017
Martti Solin	37,000	8.1	45.20	45.20	February 15, 2017
Gary W. Townsend	37,000	8.1	45.20	45.20	February 15, 2017

The number and value of all Options exercised during the year and the values of all outstanding Options and rights at the end of 2007 were as follows:

Aggregated Options/SARs Exercised During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in the-Money Options/SARs at FY-End¹ (\$) Exercisable/Unexercisable
Henry H. Ketcham	—	—	404,564 ² /220,516	2,151,444/19,762
D. Wayne Clogg	—	—	96,814/45,096	496,217/4,940
Gerald J. Miller	—	432,761	101,730/83,970	496,217/4,940
Martti Solin	—	225,219	101,650/83,650	496,217/4,940
Gary W. Townsend	—	948,979	53,330/83,970	43,339/4,940

(1) Based on a closing trading price on the Toronto Stock Exchange on December 31, 2007 of \$34.77.

(2) Includes Options to purchase a total of 13,310 Common shares which were surrendered for cash value on February 25, 2008.

The following tables provide particulars of Options held by each of the Named Executive Officers as of December 31, 2007 with current value based on the closing trading price on the Toronto Stock Exchange that day of \$34.77:

Henry H. Ketcham

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Expiry Date
February 18, 1998	13,310	—	28.926	77,784	February 18, 2008
February 17, 1999	13,310	—	28.099	88,791	February 17, 2009
February 10, 2000	96,800	—	29.752	485,742	February 10, 2010
January 4, 2001	96,800	—	21.074	1,325,773	January 4, 2011
February 19, 2002	72,600	—	33.471	94,307	February 19, 2012
February 11, 2003	58,080	14,520	33.409	79,047	February 11, 2013
February 20, 2004	24,000	16,000	38.900	Nil	February 20, 2014
February 17, 2005	20,664	30,996	51.560	Nil	February 17, 2015
February 16, 2006	9,000	36,000	41.190	Nil	February 17, 2016
February 15, 2007	—	123,000	45.200	Nil	February 15, 2017
Totals	404,564	220,516		2,151,444	

The total value of Shares and exercisable Options held by Mr. Ketcham, which does not include Shares held by Ketcham Investments, Inc., as at December 31, 2007, based on the closing trading price on the Toronto Stock Exchange that day of \$34.77, was \$8,860,246.

D. Wayne Clogg

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Expiry Date
February 10, 2000	24,200	—	29.752	121,436	February 10, 2010
January 4, 2001	24,200	—	21.074	331,443	January 4, 2011
February 19, 2002	18,150	—	33.471	23,577	February 19, 2012
February 11, 2003	14,520	3,630	33.409	19,762	February 11, 2013
February 20, 2004	6,000	4,000	38.900	Nil	February 20, 2014
February 17, 2005	7,004	10,506	51.560	Nil	February 17, 2015
February 16, 2006	2,740	10,960	41.190	Nil	February 17, 2016
February 15, 2007	—	16,000	45.200	Nil	February 15, 2017
Totals	96,814	45,096		496,218	

The total value of Shares and exercisable Options held by Mr. Clogg as at December 31, 2007, based on the closing trading price on the Toronto Stock Exchange that day of \$34.77, was \$511,830.

Gerald J. Miller

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Expiry Date
February 10, 2000	24,200	—	29.752	121,436	February 10, 2010
January 4, 2001	24,200	—	21.074	331,443	January 4, 2011
February 19, 2002	18,150	—	33.471	23,577	February 19, 2012
February 11, 2003	14,520	3,630	33.409	19,762	February 11, 2013
February 20, 2004	6,000	4,000	38.900	Nil	February 20, 2014
February 17, 2005	7,720	11,580	51.560	Nil	February 17, 2015
February 16, 2006	6,940	27,760	41.190	Nil	February 17, 2016
February 15, 2007	—	37,000	45.200	Nil	February 15, 2017
Totals	101,730	83,970		496,218	

The total value of Shares and exercisable Options held by Mr. Miller as at December 31, 2007, based on the closing trading price on the Toronto Stock Exchange that day of \$34.77, was \$583,873.

Martti Solin

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Expiry Date
February 10, 2000	24,200	—	29.752	121,436	February 10, 2010
January 4, 2001	24,200	—	21.074	331,443	January 4, 2011
February 19, 2002	18,150	—	33.471	23,577	February 19, 2012
February 11, 2003	14,520	3,630	33.409	19,762	February 11, 2013
February 20, 2004	6,000	4,000	38.900	Nil	February 20, 2014
February 17, 2005	7,720	11,580	51.560	Nil	February 17, 2015
February 16, 2006	6,860	27,440	41.190	Nil	February 17, 2016
February 15, 2007	—	37,000	45.200	Nil	February 15, 2017
Totals	101,650	83,650		496,218	

The total value of Shares and exercisable Options held by Mr. Solin as at December 31, 2007, based on the closing trading price on the Toronto Stock Exchange that day of \$34.77, was \$1,125,937.

Gary W. Townsend

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Expiry Date
February 19, 2002	18,150	—	33.471	23,577	February 19, 2012
February 11, 2003	14,520	3,630	33.409	19,762	February 11, 2013
February 20, 2004	6,000	4,000	38.900	Nil	February 20, 2014
February 17, 2005	7,720	11,580	51.560	Nil	February 17, 2015
February 16, 2006	6,940	27,760	41.190	Nil	February 17, 2016
February 15, 2007	—	37,000	45.200	Nil	February 15, 2017
Totals	53,330	83,970		43,339	

The total value of Shares and exercisable Options held by Mr. Townsend as at December 31, 2007, based on the closing trading price on the Toronto Stock Exchange that day of \$34.77, was \$778,516.

Pension Plans

The majority of our full-time salaried employees are covered by non-contributory pension plans which provide a pension equal to 2% of the highest average compensation (which includes base salary and bonuses) of the employee for any consecutive 60-month period in that employee's final 10 years with the Company multiplied by the number of years of credited service with the Company. Normal retirement is at age 65. Each of these pension plans allows for early retirement at age 55 with a minimum service requirement of two years. Benefits provided for early retirement are reduced by 4% per year for retirement between the ages of 55 and 57 and by 3% per year for retirement between the ages of 58 and 59. No reduction is made for retirement between the ages of 60 and 64.

The estimated annual pension payable upon retirement, assuming no reduction for early retirement and based on the standard form life annuity for a minimum of 60 months with no joint survivor pension, is as follows:

Estimated Annual Benefits Payable Upon Retirement

Annual Compensation	Years of Service					
	20 Years	25 Years	30 Years	35 Years	40 Years	45 Years
\$400,000	\$160,000	\$200,000	\$240,000	\$280,000	\$320,000	\$360,000
\$500,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000
\$600,000	\$240,000	\$300,000	\$360,000	\$420,000	\$480,000	\$540,000
\$700,000	\$280,000	\$350,000	\$420,000	\$490,000	\$560,000	\$630,000
\$800,000	\$320,000	\$400,000	\$480,000	\$560,000	\$640,000	\$720,000
\$900,000	\$360,000	\$450,000	\$540,000	\$630,000	\$720,000	\$810,000
\$1,000,000	\$400,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000
\$1,100,000	\$440,000	\$550,000	\$660,000	\$770,000	\$880,000	\$990,000
\$1,200,000	\$480,000	\$600,000	\$720,000	\$840,000	\$960,000	\$1,080,000
\$1,300,000	\$520,000	\$650,000	\$780,000	\$910,000	\$1,040,000	\$1,170,000
\$1,400,000	\$560,000	\$700,000	\$840,000	\$980,000	\$1,120,000	\$1,260,000
\$1,500,000	\$600,000	\$750,000	\$900,000	\$1,050,000	\$1,200,000	\$1,350,000

Compensation for the purposes of the pension plans is defined as the average annual compensation, including salary and bonus, of the highest consecutive 60-month period in the last 10 years' service with the Company.

The benefits listed in the table are not subject to any deduction for Canada Pension Plan or other offset amounts.

The table below sets forth the accumulated pension benefits for each of the Named Executive Officers as at December 31, 2007:

	Years of Credited Service	Present Value of Accumulated Benefit ¹ (\$)
Henry H. Ketcham	34.0	8,930,000
D. Wayne Clogg	27.6	2,599,300
Gerald J. Miller	21.9	2,733,400
Martti Solin	19.0	2,241,000
Gary W. Townsend	36.4	4,463,000

(1) The accumulated benefit is based on service and earnings (base salary and bonus) considered by the plans for the period through December 31, 2007. For those Named Executive Officers who are younger than 60, the present value has been calculated assuming the Named Executive Officer will remain in service until age 60, the age at which retirement may occur without any reduction in benefits.

The estimated years of credited service under the pension plans at the normal retirement age of 65 for each Named Executive Officer would be as follows:

Henry H. Ketcham	42 years
D. Wayne Clogg	39 years
Gerald J. Miller	35 years
Martti Solin	20 years
Gary W. Townsend	37 years

Pension Expense Related to Service and Compensation

Amounts reported in the table below represent the pension service cost related to 2007 for each of the Named Executive Officers.

Name	2007 pension service cost (\$)
Henry H. Ketcham	214,100
D. Wayne Clogg	81,300
Gerald J. Miller	102,700
Martti Solin	96,100
Gary W. Townsend	105,100

Directors' Compensation and Holdings

For a description of retainers and fees payable to Directors, actual compensation paid during 2007 and securities held by Directors, see "Director Compensation" beginning on page 10.

Indebtedness of Directors, Officers and Employees

Aggregate Indebtedness

The following table sets out the aggregate indebtedness outstanding of all Directors, officers, employees and former Directors, officers and employees of the Company or any of its subsidiaries as at March 1, 2008.

AGGREGATE INDEBTEDNESS		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	\$139,112	Nil
Other	\$1,159,411	Nil

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information with respect to securities authorized for issuance by the Company under equity compensation plans that permit issuance from treasury as at March 1, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders	2,893,605	\$36.521	1,066,689
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	2,893,605	\$36.521	1,066,689

Indebtedness of Directors and Officers Under Securities Purchase Programs

Name and Principal Position	Largest Amount Outstanding During 2007 (\$)	Amount Outstanding as at March 1, 2008 (\$)	Financial Assisted Securities Purchases During 2007 (#)	Security for Indebtedness	Amount Forgiven during 2007
Rodger M. Hutchinson Vice-President, Corporate Controller	\$13,340	\$6,429	Nil	Common shares	Nil
Maureen F. Kuper Treasurer	\$13,340	\$6,429	Nil	Common shares	Nil
Christopher D. McIver Vice-President, Lumber Sales	\$13,340	\$6,429	Nil	Common shares	Nil
Edward R. Seraphim Vice-President, Pulp and Paper	\$13,340	\$6,429	Nil	Common shares	Nil

All loans are from the Company.

These and similar loans were granted in 1998 to certain employees, excluding officers, to enable them to acquire Common shares of the Company. The loans are interest-free and are secured by the acquired Common shares. The loans are repayable in annual instalments to 2008. Dividends received on the Common shares held as security are applied to the outstanding balance of the loan.

The loans granted to the above-named officers were granted before they became officers of the Company.

ADDITIONAL INFORMATION

Additional information (including financial information) relating to the Company can be found in our Annual Report for the year ended December 31, 2007, which includes the Company's Annual Information Form and the Company's audited financial statements for the years ended December 31, 2007 and 2006 and the accompanying audit report and management's discussion and analysis. The Annual Report is on our website (www.westfraser.com) and can also be found on SEDAR (www.sedar.com). Copies of the Annual Report and the relevant portion of any documents incorporated by reference in the Annual Report, as well as additional copies of this Circular, may be obtained upon request from the Corporate Secretary of the Company, Suite 501 – 858 Beatty Street, Vancouver, British Columbia, V6B 1C1 or by emailing to shareholder@westfraser.com.

DATED at Vancouver, British Columbia, March 28, 2008.

BY ORDER OF THE BOARD

“Henry H. Ketcham”

Henry H. Ketcham
Chair of the Board, President and
Chief Executive Officer