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NEWS RELEASE

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

Friday, April 23, 2010

West Fraser Announces Improved Results

Vancouver, B.C. – **West Fraser Timber Co. Ltd.** today reported earnings after discontinued operations of $19 million or $0.45 per share for the first quarter of 2010. Earnings from continuing operations were $34 million or $0.79 per share on sales of $688 million.

"West Fraser's results reflect the efforts of our employees who maintained their focus on our culture of cost control and improved efficiency throughout a very bleak downturn." said Hank Ketcham, the Company's Chairman, CEO and President. "These efforts, along with improved pricing for our products, have positioned West Fraser to return to profitability."

The results compare with previous periods as follows:

($ millions except earnings per share ("EPS"))	2010 Q1	2009 Q4	2009 Q1
Sales	688	570	558
EBITDA[1]	103	56	(25)
Operating earnings from continuing operations	53	(2)	(90)
Earnings from continuing operations	34	8	(80)
Diluted EPS from continuing operations ($)	0.79	0.18	(1.86)
Earnings after discontinued operations	19	(20)	(83)
Diluted EPS after discontinued operations ($)	0.45	(0.47)	(1.94)

Operational Results

The Company's lumber operations were significant contributors to the positive results as prices for both SPF and SYP lumber increased substantially in the quarter as a result of the continuing curtailments by many producers in North America and inventory restocking throughout the distribution chain. Lumber prices rose despite continuing depressed housing starts in the United States.

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

In the quarter the lumber segment recorded operating earnings of $36 million and EBITDA of $66 million.

During the quarter the Company's Canadian sawmills operated near full capacity. A third shift was added at the Company's Hinton Wood Products division in the quarter. Production at many of the U.S. mills was reduced in the quarter due to severe weather.

At the end of the quarter log inventories at the Canadian mills were at levels that are expected to allow for full operations through the break-up period.

The panel segment, which includes plywood, LVL and MDF, recorded operating earnings in the quarter of $5 million and EBITDA of $11 million. The MDF and LVL operations continue to operate on a curtailed basis while the three plywood mills ran at near capacity levels.

Pulp and paper operations recorded operating earnings of $26 million and EBITDA of $39 million. The strength in the pulp market is reflected in the rapid increase in prices for all major grades of pulp. In addition to strong underlying demand, production curtailments resulting from the Chilean earthquake in February significantly constrained supply.

"We continue to make progress in reducing our production costs in our pulp operations. With over one million tonnes of pulp capacity we are experiencing the benefits of this strong pulp market." commented Mr. Ketcham.

In late January the Eurocan mill ceased operations. The process of selling the remaining inventory and disposing of the assets associated with this mill is expected to continue through the remainder of the year. To the end of the quarter the majority of the anticipated closure costs have been recorded.

Outlook

The recent increase in lumber prices is largely driven by market and weather-related downtime across North America and inventory restocking. We expect that lumber prices may decline later in the year as additional production comes onstream. Increased housing starts in Canada are likely to support demand and prices for our panel products. The strong pulp markets should continue as economic growth in the consuming regions continues.

The Company

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

Forward-Looking Statements

This News Release contains historical information, descriptions of current circumstances and statements about potential future developments including anticipated improvement in U.S. and Canadian housing starts, continuing production curtailments and the anticipated continuation of global economic recovery and their potential effect on the Company's results. The latter, which are forward-looking statements and are included under the heading "Outlook", are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including those matters described in the 2009 annual Management's Discussion & Analysis under "Risks and Uncertainties", in particular under the heading "Product Demand and Price Fluctuations", and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances except as required by applicable securities laws.

Conference Call

Investors are invited to listen to the quarterly conference call on Monday, April 26, 2010 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time) by dialing 1-866-223-7781 (toll free North America). The call may also be accessed through West Fraser's website at www.westfraser.com. A presentation summarizing the first quarter results will also be available on the Company's website.

Management's Discussion and Analysis

This discussion and analysis by West Fraser's management ("MD&A") of the Company's financial performance during the first quarter of 2010 should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes included in this quarterly report and the 2009 annual MD&A included in the Company's 2009 Annual Report. Dollar amounts are expressed in Canadian currency, unless otherwise indicated.

This MD&A contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results. The latter, which are forward-looking statements, are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Forward-looking statements are included in the description of anticipated benefits of the timber tenure purchase under the heading "Lumber Segment", in the description of anticipated maintenance shutdowns and the anticipated benefits of certain energy efficiency projects under the heading "Pulp & Paper Segment", anticipated closure costs and inventory shipments under the heading "Discontinued Operations" and under the headings "Business Outlook" and "New Accounting Pronouncements". Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including those matters described under "Risks and Uncertainties" in the 2009 annual MD&A, and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by applicable securities laws.

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

This MD&A includes references to benchmark prices over selected periods for products of the type produced by West Fraser. These benchmark prices do not necessarily reflect the prices obtained by West Fraser for those products during such period. The information in this interim MD&A is as at April 23, 2010 unless otherwise indicated.

Production, Shipments and Financial Comparisons

	Q1 –10	Q4 –09	Q1 –09
Production			
Lumber – MMfbm			
SPF	**827**	742	674
SYP	**274**	284	312
	1,101	1,026	986
Plywood – MMsf (3/8” basis)	**191**	183	184
MDF – MMsf (3/4” basis)	**48**	46	45
LVL – Mcf	**580**	466	434
BCTMP – Mtonnes	**156**	158	70
NBSK – Mtonnes	**124**	133	129
Linerboard and Kraft Paper – Mtonnes	**29**	120	112
Newsprint – Mtonnes	**33**	33	29
Shipments			
Lumber – MMfbm			
SPF	**830**	742	728
SYP	**270**	273	320
	1,100	1,015	1,048
Plywood – MMsf (3/8” basis)	**181**	194	170
MDF – MMsf (3/4” basis)	**51**	44	53
LVL – Mcf	**564**	442	403
BCTMP – Mtonnes	**142**	128	104
NBSK – Mtonnes	**132**	120	124
Linerboard and Kraft Paper – Mtonnes	**89**	130	78
Newsprint – Mtonnes	**34**	34	19
Financial Comparisons - $ millions			
Sales	**688**	570	558
EBITDA	**103**	56	(25)
Amortization	**(50)**	(58)	(65)
Operating earnings	**53**	(2)	(90)
Interest expense – net	**(8)**	(5)	(8)
Exchange gain (loss) on long-term debt	**11**	6	(13)
Other income (expense)	**(8)**	2	8
(Provision) recovery of income taxes	**(14)**	7	23
Earnings from continuing operations	**34**	8	(80)
Loss from discontinued operations	**(15)**	**(28)**	(3)
Earnings	**19**	**(20)**	(83)
Cdn. $1.00 converted to U.S. – average	**0.961**	0.946	0.803

Selected Quarterly Information

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

	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08	Q2-08
Sales[1]	**688**	570	612	612	558	662	759	757
Earnings[1]	**34**	8	(100)	(23)	(80)	(75)	(5)	15
Earnings after discontinued operations	**19**	(20)	(199)	(39)	(83)	(70)	(2)	3
Basic EPS[1]	**0.80**	0.18	(2.34)	(0.53)	(1.86)	(1.76)	(0.11)	0.34
Diluted EPS[1]	**0.79**	0.18	(2.34)	(0.53)	(1.86)	(1.76)	(0.11)	0.34
Basic and diluted EPS after discontinued operations	**0.45**	(0.47)	(4.64)	(0.91)	(1.94)	(1.62)	(0.05)	0.08

1. From continuing operations.

Discussion & Analysis

The Company's improved operating results in the quarter reflect higher lumber and pulp prices, increased shipments and higher operating rates in the Canadian lumber division.

Although U.S. housing starts have improved somewhat from the historic lows reached in 2009, they remain at very low levels causing much of the North American lumber industry to operate significantly below capacity. With the ongoing industry closures and curtailments, current lumber demand is more balanced with supply which has influenced rising prices.

Demand for pulp continues to be strong. This, along with the short-term supply constraints resulting from the earthquake in Chile, has led to a significant increase in prices for all grades of pulp.

Each of the lumber, panels and pulp & paper segments achieved positive operating earnings. The higher value of the Canadian dollar compared to the U.S. dollar only partially offset the lumber and pulp price increases. In addition, costs were down in the lumber segment in the quarter compared to the previous quarter and the same period in 2009.

Production costs in each of our business segments were well controlled, contributing to the positive earnings result.

Selling, general and administrative expenses were higher than the previous quarter and the same quarter in 2009 due to a charge for equity-based compensation in the current quarter of $15 million. This compares to a charge of $5 million in the previous quarter and a recovery of $4 million in the first quarter of 2009. Equity-based compensation expense or recovery varies with the movement of the Company's share price and with the granting of new options or share units, both of which are typically made in the first quarter of each year. Ignoring the effect of equity-based compensation, selling, general and administrative expenses declined by approximately $4 million from the same quarter last year.

Earnings and cash flows for comparative periods presented have been reclassified to show the results from the Eurocan linerboard and kraft paper business ("Eurocan") as a discontinued operation.

In the first quarter of 2010 the following significant items were included in earnings from continuing operations:

- The translation of U.S. dollar-denominated debt which resulted in a foreign exchange gain of $11 million (after tax $9 million or $0.21 per share); and
- A loss on derivative financial instruments of $4 million (after tax $3 million or $0.07 per share).

Interest expense increased in the current quarter compared to the previous quarter as a result of higher interest rates charged on the operating loans. Interest expense was similar to the first quarter of 2009 as lower borrowings in the current quarter offset the effect of the higher interest rates.

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

	Q1-10	Q4-09	Q1-09
Included in other income			
Translation of current monetary items	**(4)**	(2)	5
Gain (loss) on foreign currency contracts	**1**	2	-[1]
Gain (loss) on U.S. dollar-denominated long-term debt	**11**	6	(13)
Translation gain (loss) on investment in self-sustaining foreign operations	**(9)**	(13)	16

1. A loss of $5 million is included in discontinued operations for Q1-09.

The results of the current quarter include a $14 million provision for income taxes compared to a recovery of $7 million for the preceding quarter and recovery of $23 million for the first quarter of 2009. Note 10 to the accompanying interim consolidated financial statements provides a reconciliation of the statutory income tax rate to the effective income tax rate.

Discussion & Analysis by Product Segment

Lumber Segment

	Q1-10	Q4-09	Q1-09
Sales - $ millions	**386**	301	311
EBITDA - $ millions	**66**	11	(47)
EBITDA margin - %	**16**	3	-
Operating earnings - $ millions	**36**	(22)	(84)
Benchmark prices (US$ per Mfbm)			
SPF #2 & Better 2 x 4[1]	**269**	205	155
SYP #2 West 2 x 4[2]	**322**	246	243

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

Operating earnings improved significantly in the quarter compared to the previous quarter and the first quarter of 2009 largely due to higher prices for both SPF and SYP lumber, higher production and shipments and lower per unit production costs.

Benchmark U.S. dollar prices for SPF lumber increased approximately 31% in the quarter compared to the previous quarter and approximately 74% compared to the first quarter of 2009. Benchmark prices for SYP lumber were approximately 31% higher in the current quarter compared to both the previous quarter and the first quarter of 2009. The increases were in response to inventory restocking and continued market-related curtailments across North America and weather-related production curtailments in regions of the southern United States. Partially offsetting the increase in SPF prices was the average strengthening of the Canadian dollar, up approximately 2% in the current quarter compared to the previous quarter and up approximately 20% compared to the first quarter of 2009.

Lumber shipments increased in the current quarter compared to the previous quarter and the first quarter of 2009 in response to increased demand in the United States and in China.

SPF lumber production increased by approximately 11% in the current quarter compared to the previous quarter and by approximately 23% compared to the first quarter of 2009. In the fourth quarter of 2009 and in the current quarter many of the Company's Canadian mills returned to full production. Also, an additional shift was restarted at the Company's Hinton sawmill. In late 2009 the Company reduced its stated SPF capacity to 3.5 billion board feet from 4.0 billion board feet to reflect the current ongoing capacity. The Canadian lumber mills operated at 95% of the revised capacity in the quarter.

SYP production was approximately 4% lower in the current quarter compared to the previous quarter and approximately 12% lower compared to the first quarter of 2009. Some of the U.S. sawmills continued to operate on reduced shifts due to uncertainty regarding long-term market recovery. In addition, severe weather conditions in many of the operating areas interrupted log supply, resulting in further production curtailments. As a result, the U.S. sawmills operated at approximately 55% of capacity in the quarter.

Higher export tax charges on SPF lumber as a result of the higher selling prices were offset by lower production costs. Compared to the first quarter of 2009 unit lumber production costs were lower in the current quarter reflecting lower log and manufacturing costs. Log and lumber inventory valuation adjustments improved results by approximately $10 million in the quarter. This compares to positive adjustments in the previous quarter of $8 million and negative valuation adjustments of approximately $8 million in the first quarter of 2009.

In April 2010 the lumber composite price reached levels that triggered a reduction of the export tax rate applied to certain Canadian softwood lumber exports to the United States under the Softwood Lumber Agreement. The rate reduction will apply for the month of May 2010 and subsequent months as long as the composite price remains above US$315 per mfbm. Since the beginning of the Softwood Lumber Agreement in 2006, the Company has been subject to a 15% tax on the selling price of all softwood lumber shipped from Canada into the U.S. For several months in 2009 lumber shipments from the province of Alberta exceeded the prescribed surge volumes causing shipments in those months to be subject to a higher 22.5% export tax. With the increase in the composite price, the export tax rate will be reduced to 10% for shipments from B.C. and Alberta (15% for any month where a provincial surge limit is exceeded).

During the quarter, the Company completed the previously-announced timber tenure purchase from Weyerhaeuser Company Limited. The acquired tenures have an aggregate AAC of approximately 682,000 cubic metres including a temporary uplift of 200,000 cubic metres in response to the effects of the Mountain Pine Beetle and are expected to benefit West Fraser's operations in 100 Mile House, Chasm and Williams Lake, B.C.

Panels Segment

	Q1-10	Q4-09	Q1-09
Sales - $ millions	**98**	92	96
EBITDA - $ millions	**11**	17	7
EBITDA margin - %	**11**	18	7
Operating earnings - $ millions	**5**	7	(2)
Benchmark price			
Plywood (per Msf 3/8" basis)[1] Cdn$	**332**	322	311
MDF (per Msf 3/4" basis)[2] US$	**473**	481	507

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

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

Operating earnings declined compared to the previous quarter as higher plywood prices were offset by lower MDF prices. The previous quarter also benefited from a positive adjustment to the reforestation liability. Compared to the first quarter of 2009, operating earnings were significantly higher, mainly the result of lower unit production costs in the plywood, LVL and MDF operations.

Benchmark plywood prices increased approximately 3% in the current quarter compared to the previous quarter reflecting both improved seasonal demand in Canada and the short-term impact of the Chilean earthquake on plywood supply in North America. Compared to the first quarter of 2009 plywood prices have increased 7%. MDF prices were lower in the current quarter compared to the previous quarter and the first quarter of 2009. LVL prices remained unchanged from the previous quarter.

Unit production costs for plywood were higher in the current quarter compared to the previous quarter largely the result of an adjustment to the reforestation liability in the previous quarter. Compared to the first quarter of 2009, plywood unit production costs were lower, mainly the result of lower log costs.

Unit MDF production costs declined compared to the previous quarter as a result of lower maintenance costs and higher production in the current quarter. Compared to the first quarter of 2009, unit MDF production costs were lower due to reduced resin and additive costs as well as higher production.

The two MDF plants and the LVL plant operated in the quarter on a curtailed basis at approximately 65% and 70% respectively for MDF and LVL.

Pulp & Paper Segment

	Q1-10	Q4-09	Q1-09
Sales - $ millions	**204**	177	151
EBITDA - $ millions	**39**	31	10
EBITDA margin - %	**19**	17	7
Operating earnings - $ millions	**26**	16	(7)
Benchmark price			
NBSK (US$ per tonne)[1]	**880**	820	673
Newsprint (US$ per tonne)[2]	**553**	505	725

1. Source: Resource Information Systems, Inc. – U.S. list price delivered U.S.
2. Source: Resource Information Systems, Inc. – delivered 48.8 gram newsprint.

The pulp & paper segment includes the NBSK business, the BCTMP business and the newsprint business. Results from the Eurocan business are included in discontinued operations.

Operating earnings improved from the previous quarter and the first quarter of 2009 as higher pulp prices and lower pulp production costs offset declines in operating earnings from newsprint from the first quarter of 2009.

Demand for pulp continues to be strong, pushing pulp prices higher. The benchmark price for NBSK averaged US$880 in the quarter compared to US$820 in the previous quarter and US$673 in the first quarter of 2009. The higher benchmark price was also reflected in the price for BCTMP.

The increase in pulp prices was offset in part by an increase in the value of the Canadian dollar which strengthened by approximately 2% in the current quarter compared to the previous quarter and approximately 20% compared to the first quarter of 2009.

Total pulp production was approximately 4% lower in the current quarter than in the previous quarter due mainly to operational issues at the Hinton pulp mill. Production in the current quarter was 40% higher than the first quarter of 2009 mainly due to market downtime at the BCTMP mills in the first quarter of 2009.

Average pulp production costs were slightly lower in the current quarter compared to the previous quarter and lower by approximately 20% compared to the first quarter of 2009 due mainly to lower fibre and chemical costs and higher production volumes.

Newsprint markets strengthened in the current quarter compared to the previous quarter, resulting in an average 10% increase in the benchmark U.S.-dollar price. However, due to the stronger Canadian dollar, mill nets realized in Canada in the quarter were only slightly higher compared to the previous quarter. Compared to the first quarter of 2009, benchmark U.S.-dollar newsprint prices were approximately 24% lower in the current quarter. With the stronger Canadian dollar, mill nets realized in Canadian dollars were approximately 37% lower in the current quarter compared to the first quarter of 2009.

Average newsprint production costs declined approximately 5% in the quarter compared to the previous quarter with lower conversion costs more than offsetting a small increase in fibre costs.

Compared to the first quarter of 2009 average production costs were approximately 17% lower reflecting lower fibre and maintenance costs and higher production volumes.

Pulp production will be reduced in the second quarter as a result of scheduled maintenance downtime at the two NBSK mills as well as maintenance downtime at the Quesnel BCTMP mill. In total, NBSK production is expected to be lower by 15,000 tonnes and BCTMP production is expected to be lower by approximately 20,000 tonnes.

In 2009 the Government of Canada confirmed an allocation of credits totalling $88 million to West Fraser under the Pulp and Paper Green Transformation Program. The Company has applied for capital funds under this program for several energy efficiency projects that are expected to significantly reduce future energy costs. The Company expects to receive the required approvals and begin work on some of these projects in the second quarter.

Discontinued Operations

The Eurocan mill was closed in the current quarter.

The Eurocan mill recorded a loss before income tax of $21 million in the quarter, including approximately $9 million of restructuring charges. Total restructuring charges of approximately $50 million related to the closure of this facility have been recorded to date. We anticipate that further closure costs will not exceed $15 million.

In the quarter the mill operated for approximately 23 days, producing 29,348 tonnes of linerboard and kraft paper compared to 119,899 tonnes in the previous quarter and 112,487 tonnes in the first quarter of 2009. The mill operated near capacity in the previous comparative quarters.

Production costs were significantly higher in the current quarter compared to previous quarters due to low production rates associated with the permanent shutdown as well as higher costs associated with closing the mill.

Shipments exceeded production as inventories were sold. It is anticipated that remaining product inventories will be substantially sold by the end of the second quarter.

The Company is in the process of evaluating alternatives for the assets at the mill.

As at March 31, 2010 the assets and liabilities associated with the Eurocan business are as follows:

	Q1-10
Current assets	**53**
Non-current assets	**1**
Total assets	**54**
Current liabilities	**(28)**
Non-current liabilities	**(13)**
Total liabilities	**(41)**

The summarized results for the discontinued Eurocan business for the first quarter of 2010, the previous quarter and the first quarter of last year are as follows:

	Q1-10	Q4-09	Q1-09
Sales	**51**	77	61
Operating loss	**(20)**	(41)	-
Foreign currency contracts	**-**	-	(5)
Other income (expense)	**(1)**	-	-
Loss before income tax	**(21)**	(41)	(5)
Income tax recovery	**6**	13	2
Loss	**(15)**	(28)	(3)
Cash flows from operating and investing activities	**(8)**	24	(2)

Business Outlook

For a detailed description of West Fraser's business outlook for 2010 see its 2009 annual MD&A under "Business Outlook", which is included in the Company's 2009 Annual Report.

Lumber prices have improved dramatically over the past few months, despite the relatively low level of housing starts in the United States. A critical factor in the increase in lumber prices appears to be related to the low production levels across the industry, both in Canada and the United States. We anticipate that if prices remain at these levels the supply of lumber will increase and without a further increase in housing starts, lumber prices will decline. We anticipate that, in the long term, housing starts in the United States will increase to more normal levels bringing the demand and supply for lumber into more balanced levels.

The demand for plywood is largely driven by new home construction in Canada and, in the case of MDF and LVL, the United States. With the recent relative strength of the Canadian housing market and the Canadian dollar, imports of U.S. plywood have increased, putting pressure on plywood prices. However, the earthquake in Chile has interrupted the flow of plywood from that country into the U.S. and prices have increased as a result of the decreased supply. It is expected that this is a relatively short-term circumstance. As housing starts in the U.S. return to more normal levels demand for all panel products should increase.

Pulp demand remains strong resulting in higher prices for all grades of pulp. We expect that curtailments resulting from the Chilean earthquake will soon end bringing more product into the market. However, because of economic growth in China and other consuming regions we anticipate that pulp demand should support a reasonable pulp price.

The market for newsprint remains oversupplied resulting in continuing low prices.

Capital Requirements and Liquidity

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

	Q1-10	Q4-09	Q1-09
Cash[1]	**(15)**	(10)	(2)
Current assets	**714**	704	857
Current liabilities	**468**	495	616
Ratio of current assets to current liabilities	**1.5**	1.4	1.4
Net debt	**452**	505	684
Shareholders' equity	**1,627**	1,618	1,957
Net debt to capitalization[2] - %	**22**	24	26

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

West Fraser's cash requirements, other than for operating purposes, are primarily for interest payments, repayment of debt, additions to property, plant, equipment and timber, acquisitions and payment of dividends. In normal business cycles and in years without a major acquisition or debt repayment, cash on hand and cash provided by operations have normally been sufficient to meet these requirements.

Selected Cash Flow Items ($ millions)

	Q1-10	Q4-09	Q1-09
Operating Activities			
Cash provided before working capital changes	**89**	22	(3)
Non-cash working capital change	**(8)**	(67)	(12)
Cash provided (used) in operating activities	**81**	(45)	(15)
Financing Activities			
Debt and operating loans	**(44)**	(54)	22
Dividends and other	**(5)**	(1)	(6)
Cash provided by (used in) financing activities	**(49)**	(55)	16
Investing Activities			
Additions to property, plant, equipment & timber	**(28)**	(7)	(6)
Other – net	**(1)**	3	1
Cash used in investing activities	**(29)**	(4)	(5)
Change in cash from continuing operations	**3**	(104)	(4)
Change in cash from discontinued operations	**(8)**	24	(2)
Change in cash	**(5)**	(80)	(6)

Capital Structure and Debt Ratings

At March 31, 2010 the Common share equity of the Company consisted of 40,013,124 Common shares and 2,806,478 Class B Common shares for a total of 42,819,602 shares issued and outstanding.

All of West Fraser's debt is secured and, with the exception of current borrowings incurred by its joint venture newsprint mill, ranks equally in right of payment.

The Company is rated by three rating agencies. In 2009 as a result of the significant and prolonged downturn in the North American housing industry each of these agencies downgraded its rating of the Company. Based on the approaches employed by these agencies, rating upgrades could occur after a sustained improvement in the Company's various markets occurs resulting in improved profitability for the Company. The current rating by each of these agencies is as follows:

Debt Ratings

Agency	Rating	Outlook
Dominion Bond Rating Service	BB(high)	Negative
Moody's	Ba1	Negative
Standard & Poor's	BB	Negative

Risks and Uncertainties

For a review of the risks and uncertainties to which the Company is subject, see the 2009 annual MD&A which is included in the Company's 2009 Annual Report.

New Accounting Pronouncements

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canada's current GAAP for publicly accountable profit-oriented enterprises effective January 1, 2011. IFRS requires that in the year of implementation the comparative financial statements be restated to conform to the standards.

Update on IFRS Conversion Plan

West Fraser has commenced the process to transition from GAAP to IFRS. The Company has established a project team and a project plan has been developed and is being implemented. Regular progress reporting to the Audit Committee of the Board of Directors on the status of the IFRS implementation project has been instituted.

The project plan consists of three major phases, which at times will run concurrently:

- Assessment phase – This phase involves identifying the differences between GAAP and IFRS. These differences are then analysed to determine the possible effect on the Company including changes required to existing accounting policies and information systems, together with analysis of policy choices under IFRS.

- Design phase – During this phase additional specialist personnel will be identified to assist as necessary on system and process changes. Training requirements for staff will be assessed and appropriate training programs will be completed. In addition, optional exemptions for first time adopters of IFRS and accounting policy choices under IFRS will be evaluated.

- Implementation phase – This phase includes execution of changes to information systems and business processes, obtaining authorization for recommended exemptions for first time adopters and for accounting policy choices. During this phase draft IFRS-compliant financial statements will be completed for discussion and approval by senior management and the Audit Committee. Additional training will be provided to financial and other staff as necessary.

The assessment phase has been completed and the Company is now in the design and implementation phase of the project plan. All financial staff in key control positions have been provided with initial IFRS training with additional training being provided to members of the project team.

Implementation of changes to ensure that information systems are capable of dual reporting of GAAP and IFRS information for 2010 is underway. In addition, changes to the Company's fixed asset system to account for impairment accounting under IFRS are scheduled to be tested in the second half of the year.

The expected effect of accounting policy choices and system changes on disclosure controls and internal controls over financial reporting is being monitored and appropriate control changes will be made prior to implementation of IFRS.

Differences between IFRS and GAAP

The standard-setting body of IFRS has significant ongoing projects that could affect the ultimate differences between GAAP and IFRS and these changes may have a material impact on the Company's financial statements. As a result, the final effect on the Company's consolidated financial statements will only be measurable once all of the applicable IFRS standards at the final changeover are known.

There are a number of differences between GAAP and IFRS that have been identified. Many of the differences identified are not expected to have a material affect on the reported results or the financial position of West Fraser. However, there may be significant changes resulting from the initial adoption of IFRS and accounting policy choices for certain areas. The adoption of IFRS is not expected to materially affect cash flows or debt covenant calculations as current covenants contemplate that they will continue to be calculated based on current GAAP.

While the qualitative effects of IFRS on future financial statements have not yet been determined, the Company has identified a number of key areas which are likely to be significantly affected including property, plant, equipment and timber, impairment of assets, employee future benefits, asset retirement obligations including reforestation obligations and presentation of financial statements.

The IFRS 1 exemptions being considered by the Company that could have a material effect on the opening balance sheet are as follows:

Exemption	Application of Exemption
Business combinations	The Company expects to apply this exemption and will not restate any business combinations that took place before January 1, 2010.
Employee future benefits	The Company expects to apply this exemption which will allow it to recognize cumulative actuarial gains and losses at January 1, 2010 as an adjustment to retained earnings.
Cumulative translation differences	The Company expects to apply this exemption which will allow it to transfer the January 1, 2010 cumulative translation account to retained earnings.

The following table identifies key areas which are likely to be significantly affected by the adoption of IFRS.

Standards	Difference from GAAP	Potential Impact
Presentation and disclosure	IFRS requires significantly more disclosure than Canadian GAAP for certain standards	The increased disclosure requirements will cause the Company to change financial reporting processes to ensure the appropriate data is collected.
Impairment of assets	IFRS requires the assessment of asset impairment to be based on discounted cash-flows while GAAP only requires discounting if the carrying value of assets exceeds the undiscounted cash flows. IFRS also requires the reversal of any previous asset impairments, excluding goodwill, where circumstances have changed. GAAP prohibits the reversal of impairment losses.	The differences in methodology may result in asset impairments upon transition to IFRS. In addition, the potential for asset impairments will increase in the future.

Asset retirement obligations	IFRS requires asset retirement obligations to be adjusted to the discount rate in affect at each balance sheet date while GAAP retains the historical discount rate.	The differences in methodology will result in an adjustment to retained earnings upon transition to IFRS and will increase earnings volatility in future periods.
Employee future benefits	IFRS provides an accounting policy choice to adjust actuarial gains and losses to equity or to apply the corridor approach as recommended by GAAP.	The Company may elect to adjust actuarial gains and losses to equity.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

West Fraser's management, including the Chairman, President and Chief Executive Officer and the Executive Vice-President, Finance and Chief Financial Officer acknowledge responsibility for the design of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR) as those terms are defined in NI52-109.

There were no changes in internal controls over financial reporting that occurred during the quarter ended March 31, 2010 that have materially affected, or are reasonably likely to materially affect, West Fraser's internal control over financial reporting.

Additional Information

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

West Fraser Timber Co. Ltd.
Consolidated Balance Sheets
(in millions of Canadian dollars - unaudited)

		As at March 31, 2010		As at December 31, 2009
ASSETS				
Current assets				
Cash and short-term investments	**$**	**13.4**	$	12.0
Accounts receivable		**239.7**		200.6
Income taxes receivable		**-**		67.6
Inventories (note 3)		**444.6**		407.7
Prepaid expenses		**15.8**		15.8
		713.5		703.7
Property, plant, equipment and timber		**1,599.4**		1,624.1
Deferred costs		**127.7**		132.7
Goodwill		**263.7**		263.7
Other assets (note 4)		**89.9**		88.9
	$	**2,794.2**	$	2,813.1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Cheques issued in excess of funds on deposit	**$**	**28.3**	$	21.8
Operating loans (note 6)		**131.1**		78.7
Accounts payable and accrued liabilities		**253.2**		252.6
Income taxes payable		**18.3**		-
Current portion of asset retirement obligations		**36.5**		41.5
Current portion of long-term debt (note 6)		**0.3**		100.3
		467.7		494.9
Long-term debt (note 6)		**305.2**		315.9
Other liabilities (note 7)		**191.8**		166.9
Future income taxes		**202.2**		217.2
		1,166.9		1,194.9
Shareholders' equity				
Share capital		**599.9**		599.7
Accumulated other comprehensive earnings		**(69.1)**		(59.8)
Retained earnings		**1,096.5**		1,078.3
		1,627.3		1,618.2
	$	**2,794.2**	$	2,813.1

Number of Common shares and Class B Common shares outstanding at April 22, 2010 was 42,820,609.

West Fraser Timber Co. Ltd.
Consolidated Statements of Earnings and Comprehensive Earnings
(in millions of Canadian dollars - unaudited)

	January 1 to March 31 **2010**	2009
Sales	**$ 687.8**	$ 558.2
Costs and expenses		
Cost of products sold	**418.6**	453.7
Freight and other distribution costs	**109.6**	97.4
Export taxes	**19.2**	9.3
Amortization	**49.8**	64.7
Selling, general and administration	**38.0**	23.0
	635.2	648.1
Operating earnings	**52.6**	(89.9)
Other		
Interest expense - net	**(7.3)**	(7.9)
Exchange gain (loss) on long-term debt	**10.6**	(13.0)
Other income (expense)	**(7.7)**	7.5
Earnings from continuing operations before income taxes	**48.2**	(103.3)
Recovery of (provision for) income taxes (note 10)	**(13.9)**	23.6
Earnings from continuing operations	**34.3**	(79.7)
Loss from discontinued operations (note 2)	**(14.9)**	(3.4)
Earnings	**$ 19.4**	$ (83.1)
Earnings per share *(dollars)* (note 11)		
Basic from continuing operations	**$ 0.80**	$ (1.86)
Diluted from continuing operations	**$ 0.79**	$ (1.86)
Basic and diluted after discontinued operations	**$ 0.45**	$ (1.94)

Comprehensive earnings

Earnings	**$ 19.4**	$ (83.1)
Other comprehensive earnings:		
Foreign exchange translation gain (loss) on investment in self-sustaining foreign operations	**(9.3)**	16.4
Comprehensive earnings	**$ 10.1**	$ (66.7)

West Fraser Timber Co. Ltd.

Consolidated Statement of Changes in Equity

(in millions of Canadian dollars - unaudited)

	Issued capital			Translation of foreign operations		Retained earnings		Total equity
	Number of Shares							
Balance - January 1, 2009	42,805,086	$	599.4	$ 1.7	$	1,428.9	$	**2,030.0**
Changes in equity for 2009								
Foreign exchange translation loss on investment in self-sustaining foreign operations	-		-	(61.5)		-		**(61.5)**
Issuance of Common shares	10,723		0.3	-		-		**0.3**
Earnings for the year	-		-	-		(340.8)		**(340.8)**
Dividends	-		-	-		(9.8)		**(9.8)**
Balance - December 31, 2009	42,815,809		599.7	(59.8)		1,078.3		**1,618.2**
Changes in equity for 2010								
Foreign exchange translation loss on investment in self-sustaining foreign operations	-		-	(9.3)		-		**(9.3)**
Issuance of Common shares	3,793		0.2	-		-		**0.2**
Earnings for the period	-		-	-		19.4		**19.4**
Dividends	-		-	-		(1.2)		**(1.2)**
Balance - March 31, 2010	**42,819,602**	**$**	**599.9**	**$ (69.1)**	**$**	**1,096.5**	**$**	**1,627.3**

West Fraser Timber Co. Ltd.
Consolidated Statements of Cash Flows
(in millions of Canadian dollars - unaudited)

	January 1 to March 31	
	2010	2009
Cash flows from operating activities		
Earnings from continuing operations	**$ 34.3**	$ (79.7)
Items not affecting cash		
Amortization	**49.8**	64.7
Gain on asset sales	**-**	(0.2)
Deferred maintenance amortization	**2.9**	4.1
Change in deferred charges	**5.8**	0.7
Exchange loss (gain) on long-term debt	**(10.6)**	13.0
Change in reforestation obligations	**12.8**	11.0
Change in other long-term liabilities	**6.3**	(0.4)
Future income taxes	**(15.6)**	(18.0)
Other	**3.1**	1.5
	88.8	(3.3)
Net change in non-cash working capital items	**(8.1)**	(11.5)
	80.7	(14.8)
Cash flows from financing activities		
Repayment of long-term debt	**(100.3)**	(0.3)
Proceeds from operating loans	**56.5**	22.0
Dividends	**(1.2)**	(6.0)
Other	**(3.5)**	-
	(48.5)	15.7
Cash flows from investing activities		
Additions to property, plant, equipment and timber	**(28.0)**	(5.9)
Proceeds from disposals of property, plant, equipment and timber	**-**	0.2
Decrease in other assets	**(0.9)**	0.7
	(28.9)	(5.0)
Change in cash from continuing operations	**3.3**	(4.1)
Change in cash from discontinued operations (note 2)	**(8.4)**	(1.8)
Cash - beginning of period	**(9.8)**	3.7
Cash - end of period	**$ (14.9)**	$ (2.2)
Cash consists of		
Cash and short-term investments	**$ 13.4**	$ 21.6
Cheques issued in excess of funds on deposit	**(28.3)**	(23.8)
	$ (14.9)	$ (2.2)
Supplemental information:		
Interest paid	**$ 5.1**	$ 0.8
Income taxes received - net	**$ 62.7**	$ 24.4

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

1. Basis of presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements and do not contain all of the information that is required for annual financial statements. Accordingly, they should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2009.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2009 consolidated annual financial statements.

2. Discontinued operation

On October 28, 2009, the Company announced its decision to permanently close the Kitimat linerboard and kraft paper mill. In January 2010, the mill ceased operations. Accordingly, current and prior period results for this operation have been reclassified to discontinued operations.

The results of the discontinued operation is as follows:

	January 1 to March 31, 2010	January 1 to March 31, 2009
Sales	**$ 51.1**	$ 61.1
Operating earnings (loss)	**$ (20.0)**	$ 0.2
Allocated interest expense	**-**	(0.6)
Loss on foreign currency contracts	**-**	(4.8)
Other income (expense)	**(0.8)**	0.3
Loss before income tax	**(20.8)**	(4.9)
Income tax recovery	**5.9**	1.5
	$ (14.9)	$ (3.4)
Cash flows from operating activities	**$ (8.4)**	$ (1.5)
Cash flows from investing activities	**-**	(0.3)
Decrease in cash	**$ (8.4)**	$ (1.8)

3. Inventories

Inventories at March 31, 2010 were written down by $3.5 million (December 31, 2009 - $16.0 million; March 31, 2009 - $84.7 million) to reflect net realizable value being lower than cost.

4. **Other assets**

	March 31, 2010	December 31, 2009
Power purchase agreement – net	**$ 78.7**	$ 80.5
Advances for timber and timber deposits	**4.8**	5.7
Investments and other	**6.4**	2.7
	$ 89.9	$ 88.9

5. **Restructuring charges**

Restructuring charges relate to the closure of the Kitimat mill and certain indefinitely idled sawmills. A reconciliation of restructuring charges included in accounts payable and accrued liabilities is as follows:

	January 1 to March 31, 2010
Accrued liability - beginning of period	**$ 34.1**
Paid during the period	**(18.7)**
Change in accrual	**7.6**
Accrued liability – end of period	**$ 23.0**

6. **Long-term debt and operating loans**

Long-term debt

	March 31, 2010	December 31, 2009
Term note due March 2010; interest at floating rates	**$ -**	$ 100.0
US $300 million senior notes due October 2014; interest at 5.2%	**304.7**	315.3
Note payable due in instalments to 2020; interest at 5.5%	**2.4**	2.7
	307.1	418.0
Less:		
Current portion	**(0.3)**	(100.3)
Deferred financing costs	**(1.6)**	(1.8)
	$ 305.2	$ 315.9

Operating loans

The Company has $605.0 million in revolving lines of credit, of which $131.1 million (net of deferred financing costs of $5.2 million) was drawn as at March 31, 2010. Interest is payable at floating rates based on Prime, US base, Bankers' Acceptances or LIBOR at the Company's option. The Company has also issued letters of credit in the amount of $34.0 million which are supported by this facility. The revolving lines of credit include a $600.0 million committed facility maturing in March 2012.

The $600.0 million committed facility and the US$300 million senior notes are secured by the Company's assets.

7. **Other liabilities**

	March 31, 2010	December 31, 2009
Post-retirement obligations	**$ 68.5**	$ 65.7
Timber damage deposits	**19.3**	15.6
Reforestation obligations – long-term	**70.0**	51.9
Other asset retirement obligations	**26.3**	26.0
Other long-term obligations	**7.7**	7.7
	$ 191.8	$ 166.9

8. **Long-term incentive plan**

During the quarter, the Company introduced a phantom share unit plan as part of its long-term incentive compensation. Units issued under this plan will provide for future cash payments to certain officers and employees based on criteria such as vesting period, changes in the Company's share price between the grant date and the vesting period, and in some cases relative financial performance compared to a peer group of forest products companies.

The Company recorded $4.9 million of equity-based compensation with respect to this plan, which was recorded in selling, general and administration expense.

9. **Employee future benefits**

The total benefit cost of the Company's defined benefit pension plans was $8.9 million for the three months ended March 31, 2010 (three months ended March 31, 2009 - $9.5 million).

10. **Income taxes**

The Company's effective tax rate on earnings from continuing operations is as follows:

	January 1 to March 31			
	2010		2009	
	Amount	**%**	Amount	%
Income taxes at statutory rates	**$ (13.7)**	**(28.5)**	$ 31.0	30.0
Non-taxable amounts	**1.5**	**3.1**	(2.6)	(2.5)
Rate differentials between jurisdictions and on specified activities	**0.7**	**1.5**	5.2	5.0
Rate differential on loss carry backs	**-**	**-**	1.3	1.3
Reduction in statutory income tax rates	**-**	**-**	4.7	4.5
Change in valuation allowance	**-**	**-**	(16.0)	(15.5)
Other	**(2.4)**	**(5.0)**	-	-
Income tax (provision) recovery	**$ (13.9)**	**(28.9)**	$ 23.6	22.8

11. **Earnings per share**

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

	January 1 to March 31			
		2010		2009
	From continuing operations	**After discontinued operations**	From continuing operations	After discontinued operations
Earnings available to shareholders	**34.3**	**19.4**	$ (79.7)	$ (83.1)
Weighted average number of shares				
Basic	**42,817,733**	**42,817,733**	42,805,086	42,805,086
Share options	**327,199**	**327,199**	-	-
Diluted	**43,144,932**	**43,144,932**	42,805,086	42,805,086
Earnings per share (dollars)				
Basic	**$ 0.80**	**$ 0.45**	$ (1.86)	$ (1.94)
Diluted	**$ 0.79**	**$ 0.45**	$ (1.86)	$ (1.94)

12. **Derivative financial instruments**

From time to time, the Company uses derivatives to manage its exposure to US dollar exchange fluctuations and commodity prices. The Company does not utilize derivative financial instruments for trading or speculative purposes and it does not apply hedge accounting.

The foreign currency contracts outstanding at March 31, 2010 were as follows:

Term	US$	Average rate Cdn$/US$
0 to 8 months US dollar forwards	25.8	1.096

NBSK floating to fixed swap contracts outstanding at March 31, 2010 were as follows:

Term	Tonnes	Average fixed price
1 to 4 months	20,000	US$710

13. Segmented information

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2010 to March 31, 2010					
Sales at market prices					
To external customers	**$ 386.4**	**$ 97.7**	**$ 203.7**	**$ -**	**$ 687.8**
To other segments	**23.0**	**1.8**	**-**	**-**	
	$ 409.4	**$ 99.5**	**$ 203.7**	**$ -**	
EBITDA [1]	**$ 65.9**	**$ 11.1**	**$ 39.3**	**$ (13.9)**	**$ 102.4**
Amortization	**29.5**	**5.7**	**13.8**	**0.8**	**49.8**
Operating earnings	**36.4**	**5.4**	**25.5**	**(14.7)**	**52.6**
Interest expense - net	**(4.3)**	**(0.8)**	**(1.8)**	**(0.4)**	**(7.3)**
Exchange gain on long-term debt	**-**	**-**	**-**	**10.6**	**10.6**
Other income (expense)	**(1.5)**	**(0.4)**	**(6.3)**	**0.5**	**(7.7)**
Earnings from continuing operations before income taxes	**$ 30.6**	**$ 4.2**	**$ 17.4**	**$ (4.0)**	**$ 48.2**
January 1, 2009 to March 31, 2009					
Sales at market prices					
To external customers	$ 311.0	$ 96.1	$ 151.1	$ -	$ 558.2
To other segments	23.9	1.7	-	-	
	$ 334.9	$ 97.8	$ 151.1	$ -	
EBITDA [1]	$ (47.1)	$ 7.0	$ 10.3	$ 4.6	$ (25.2)
Amortization	37.2	9.3	17.3	0.9	64.7
Operating earnings	(84.3)	(2.3)	(7.0)	3.7	(89.9)
Interest expense - net	(5.2)	(0.9)	(1.6)	(0.2)	(7.9)
Exchange loss on long-term debt	-	-	-	(13.0)	(13.0)
Other income (expense)	7.4	0.5	4.0	(4.4)	7.5
Earnings from continuing operations before income taxes	$ (82.1)	$ (2.7)	$ (4.6)	$ (13.9)	$ (103.3)

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

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

For more information:

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