



**PRESS RELEASE**  
**For Immediate Release**

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION AND PUBLIC SECTOR PENSION INVESTMENT BOARD ENTER INTO AN ARRANGEMENT AGREEMENT TO ACQUIRE TIMBERWEST FOREST CORP.**

VICTORIA, April 11, 2011 – British Columbia Investment Management Corporation (“bcIMC”) and Public Sector Pension Investment Board (“PSP Investments”) announced today that they have entered into a definitive agreement to acquire TimberWest Forest Corp. (“TimberWest”) (TSX: TWF.UN). bcIMC and PSP Investments are large independent Canadian institutional investors who invest on behalf of Canadian pension plans.

Under the terms of the arrangement agreement, holders of stapled units of TimberWest (“Unitholders”) will receive a purchase price of Cdn.\$6.48 in cash on closing of the transaction for each stapled unit owned today. The price represents a premium of 25 per cent to the 20-day weighted average trading price of the stapled units on the TSX as of April 8, 2011.

Prior to closing, each stapled unit outstanding today will be entitled to receive a distribution of 0.0516 stapled units, representing deferred interest on subordinated notes. After taking into account this issuance of additional stapled units, Unitholders will hold 1.0516 stapled units for each stapled unit held today and the purchase price will be \$6.16 per stapled unit. The transaction values the fully diluted stapled units of TimberWest at approximately Cdn.\$910 million, and the total transaction at Cdn.\$1.03 billion when including the assumption of outstanding debt.

As a consequence of the transaction, all convertible debentures not converted and that remain outstanding on closing will thereafter be convertible into the same amount of cash that they would have received under the arrangement as if they had been converted into stapled units as of the closing of the arrangement.

The transaction has been unanimously approved by the independent directors of TimberWest, who are recommending that Unitholders approve the arrangement at a meeting of Unitholders to be held on or about June 14, 2011. The independent directors formed a special committee that has determined that the transaction is fair to Unitholders and in the best interests of TimberWest. BMO Capital Markets and UBS Securities Canada Inc. have each provided their opinion that the offer is fair, from a financial point of view, to Unitholders (other than bcIMC).

“We are pleased to have reached agreement to acquire TimberWest on terms that provide fair value, immediate liquidity and a premium to TimberWest’s Unitholders,” said Doug Pearce, Chief Investment Officer of bcIMC. bcIMC has been a significant investor in TimberWest since February 2009, and today has an effective interest of 22.5 per cent in TimberWest through its ownership of convertible debentures.

“We look forward to placing TimberWest and its unique assets in the hands of stable, well-funded Canadian pension plans that seek to realize the fullest value from their investments over the long-term,” said Gordon J. Fyfe, President and Chief Executive Officer of PSP Investments.

The successful acquisition of TimberWest would meet an investment strategy common to bcIMC and PSP Investments to acquire companies that have the potential to generate investment returns that meet the long-term requirements of pension plans. Both bcIMC and PSP Investments view the acquisition of TimberWest as a complement to traditional asset classes, as timber and real estate exhibit inflation-hedging characteristics and provide stable risk-adjusted returns, attributes which are particularly well-matched to the needs of pension plans.

If the Unitholders approve of the transaction and regulatory approvals are obtained, TimberWest will be controlled by two large Canadian institutional investors, both of whom are established members of the investment community and both of whom have a long-term outlook. bcIMC and PSP Investments both operate independently from government. bcIMC and PSP Investments intend, as the owners of TimberWest, to work with management to promote the sustainable long-term growth of TimberWest's business. No fundamental changes in the operations of the business are anticipated. It will be business as usual on the ground and existing operating systems and processes will remain in place.

### **About TimberWest**

TimberWest Forest Corp. is uniquely positioned as western Canada's largest private timber and land management company. The Company owns in fee simple approximately 327,000 hectares or 808,000 acres of private land and is in the business of selling timber products and real estate. For more information, visit [www.timberwest.com](http://www.timberwest.com)

### **About bcIMC**

bcIMC is an independent investment management corporation based in Victoria, British Columbia that manages a global investment portfolio of more than \$86 billion as at December 31, 2010. Supported by industry-leading expertise, bcIMC invests in all major asset classes including infrastructure and strategic assets. bcIMC's clients include public sector pension plans, insurance funds and public trusts. bcIMC operates independently from government. For more information, visit [www.bcimc.com](http://www.bcimc.com)

### **About PSP Investments**

PSP Investments is a pension investment manager operating at arm's length from government. PSP Investments manages investments for the pension funds of the Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. PSP Investments' statutory objectives are to manage funds entrusted to it in the best interests of the contributors and beneficiaries of the pension plans and to maximize investment returns without undue risk of loss having regard to the funding, policies and requirements of the plans and their ability to meet their financial obligations. For more information visit [www.investpsp.ca](http://www.investpsp.ca).

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