



Press Release

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CANWEL SIGNS LETTER OF INTENT TO ACQUIRE NORTHERN BC TREATING BUSINESS

VANCOUVER, November 9, 2011 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) today announced that its wholly owned subsidiary CanWel Building Materials Ltd. (together with its subsidiary, affiliate or nominee entities, “CanWel”) has entered into a non-binding letter agreement (the “Letter Agreement”) with NorthWest Wood Preservers (the “Vendor”) in connection with the acquisition (the “Acquisition”) of the assets of the Vendor’s lumber pressure treating plant and related equipment and property (the “Plant”).

The Plant is located in Prince George, British Columbia and is a supplier to CanWel. CanWel’s assets following the Acquisition will include four operating treating plants and numerous distribution centres strategically located across Canada. The purchase price for the Plant will be satisfied fully in cash from existing credit facilities of the CanWel group.

Amar Doman, Chairman and CEO of CanWel said, “We have examined many strategies to build vertical integration capabilities where it makes operational and economic sense for CanWel. The Acquisition will provide us with an integrated capability in treated lumber that is expected to enhance our profitability and growth strategies, as CanWel is currently a customer of the Plant. By vertically integrating these operations, CanWel reinforces its position within the pressure treated arena and in the Western Canadian space. This transaction is not only a strategic move, but is also expected to be accretive annually for the Company.”

The Letter Agreement is non-binding and is subject to satisfaction of conditions. The Acquisition is expected to close in the fourth quarter of 2011, although there can be no assurances that the Acquisition will close. The Letter Agreement is subject to CanWel’s continuing due diligence and the entering into of definitive documentation containing customary terms and conditions, including the approval of the board of Directors of the Company and third party consents.

About CanWel Building Materials

CanWel Building Materials trades on the Toronto Stock Exchange under the symbol CWX and is one of Canada’s largest national distributors in the building materials and related products sector, operating distribution centres coast to coast in all major cities and strategic locations across Canada. CanWel distributes a wide range of building materials, lumber, hardware and renovation products. Further information can be found in the disclosure documents filed by CanWel (and its predecessor, CanWel Building Materials Income Fund) with the securities regulatory authorities, available at www.sedar.com.

For further information regarding CanWel please contact:

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Certain statements in this press release may constitute “forward looking” statements. When used in this press release, such statements use words, including but not limited to, “may”, “will”, “expect”, “believe”, “plan”, “intend”, “anticipate” and other similar terminology. These forward-looking statements reflect the current expectations of the Company’s management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, including the performance of, and distributable cash generated by the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include but are not limited to (i) the risk that the Acquisition may not close for any reason, including but not limited to those stated in this press release, (ii) the risk the integration of the Acquisition may result in significant challenges, and management of CanWel may be unable to accomplish the integration smoothly or successfully or without spending significant amounts of money; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of CanWel; (iii) the risk that Plant revenues, profits and margins may not remain consistent with historical levels, (iv) the risk that competing firms which manufacture or distribute competitive product lines will aggressively defend or seek market share, or that existing customers of the Plant (some of whom are competitors of CanWel) cease doing business with the Plants or CanWel, in each case reducing, eliminating or reversing any potential positive economic impact on the Company of the Acquisition; (v) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisition may not be fully realized, realized at all or may take longer to realize than expected; (vi) the risk of disruption from the introduction and implementation of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers, (vii) risks related to the operation of pressure treatment facilities, including but not limited to environmental and remediation risks, labour risks, risks related to maintenance capital expenditures for manufacturing and processing facilities and risks related to capital expenditures for environmental risks, and (viii) the risk that the Acquisition is not completed or completed on terms that are different than as indicated herein. As indicated above, completion of the transactions described herein are subject to various conditions, including (among others) CanWel’s satisfaction with its due diligence of the Plant, the successful negotiation and entering into of definitive documentation, board approval of the Company, and receipt of all necessary regulatory approvals and third party consents. There can be no assurance that each of these conditions will be satisfied to the satisfaction of CanWel and that these transactions will be concluded. Additional risks and uncertainties affecting the Company, which could cause results to differ materially from those described in these forward-looking statements, include, among others: increased debt and interest costs, general economic and business conditions, product selling prices, product performance, consumer preferences, design and liability risk, environmental risks software and software design risk, commodity price fluctuations, information systems risk, interest rate changes, operating costs, political or economic instability in local or nation markets, chemical or commodity prices, exchange rate risks for product inputs and competitive conditions. A further description of these additional factors can be found in the periodic and other reports filed by the Company with Canadian securities commissions and available on Sedar (<http://www.sedar.com>). These forward-looking statements speak only as of the date of this press release. In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian economy, relatively stable interest rates, volatility of commodity prices, more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company’s future growth plans, the implementation and success of the integration of the Acquisition, and to enable the Company to refinance its debts as they mature, the Canadian housing and building materials market; the direct and indirect effect of the U.S. housing market and economy, the amount of the Company’s cash flow from operations; tax laws; and the extent of the Company’s future acquisitions and capital spending requirements or planning as well as the general level of economic activity, in Canada, and abroad, discretionary spending and unemployment levels. The Company does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.