



CanWel Building Materials
Suite 302, 369 Terminal Avenue
Vancouver, BC V6A 4C4

Press Release

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CANWEL HOLDINGS CORPORATION ANNOUNCES \$45,000,000 BOUGHT DEAL OFFERING OF CONVERTIBLE UNSECURED DEBENTURES

VANCOUVER, CANADA – March 31, 2010 – CanWel Holdings Corporation (“New CanWel” or “the Company”) (TSX:CWX), announced today that it has reached an agreement with a syndicate of underwriters led by National Bank Financial Inc. and including CIBC World Markets Inc., Canaccord Financial Inc., GMP Securities L.P., Raymond James Ltd. and Paradigm Capital Inc. (the “Underwriters”), pursuant to which the Company will issue on a “bought-deal” basis, subject to regulatory approval, \$45,000,000 aggregate principal amount of convertible unsecured subordinated debentures (the “Debentures”) at a price of \$1,000 per \$1,000 principal amount of Debentures (the “Offering”). The Company has granted to the Underwriters an over-allotment option to purchase up to an additional \$6,750,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments and for market stabilization purposes. The Company intends to use the net proceeds from the Offering for debt repayment and for general corporate purposes.

The Debentures will bear interest from the date of issue at 5.85% per annum, payable semi-annually in arrears on October 31 and April 30 each year commencing October 31, 2010. The Debentures will have a maturity date of April 30, 2017 (the “Maturity Date”).

The Debentures will be convertible at the holder’s option at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Company for redemption of the Debentures into securities of the Company at a conversion price of \$6.40 per share, being a conversion rate of 156.2500 shares for each \$1,000 principal amount of Debentures.

Closing of the Offering is expected to occur on or about April 22, 2010. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange. The Debentures will be offered in all provinces and territories of Canada, other than Quebec, by way of a short form prospectus, and by way of private placement in the United States to Qualified Institutional Buyers pursuant to Rule 144A.

New CanWel intends to change its name to "CanWel Building Materials Group Ltd." following its annual shareholders meeting in May 2010. Until then, it will continue to carry on business under the name "CanWel Building Materials".

About CanWel Building Materials

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

For more information, please contact:

Amar Doman
Chairman of the Board
CanWel Building Materials
(604) 608-6600

Ali Mahdavi
Investor Relations
416-962-3300 or +1(866) 430-6247
am@spinnakercmi.com

Certain statements in this press release, including in particular statements regarding the proposed Offering, 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", "future" and other similar terminology. These forward-looking statements reflect the current expectations of the Company's management regarding future events but involve known and unknown risks, uncertainties and other factors which may cause the outcome of the Offering or the actual results, performance or achievements of New CanWel, 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. There can be no assurance that the Offering will be completed on the terms described in this press release or at all. In addition, there are numerous risks associated with an investment in the securities of the Company, which are also further described in the "Risk Factors" section of our annual information form dated March 30, 2010 and our other public filings on SEDAR. These forward-looking statements speak only as of the date of this press release. Except as required by applicable securities laws, 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. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registrations requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.