



# ACADIAN TIMBER

## NEWS RELEASE

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### **Acadian Timber Income Fund Files Final Prospectus**

(All financial references are in Canadian dollars unless otherwise noted)

**Toronto, ON (January 23, 2006)** – Acadian Timber Income Fund (“Acadian” or the “Fund”) announced today that it has filed a prospectus with securities regulatory authorities in each of the provinces and territories of Canada relating to an initial public offering of Fund units. The prospectus indicates that the Fund expects to raise gross proceeds from the offering of approximately \$84.5 million and will issue approximately 8.45 million Fund units at \$10 per unit. This pricing provides a target yield of 8.25% for investors based on the Fund’s estimated annual cash distributions per unit of \$0.825. In addition, the Fund will raise \$42 million of debt financing. The offering is expected to close on or about January 31, 2006.

The Fund intends to use the proceeds of the offering to acquire approximately 765,000 acres of freehold timberlands and related assets in New Brunswick from Fraser Papers Inc (TSX:FPS). In addition, Acadian will purchase an interest (which following closing will constitute all common membership interests) in an affiliate of Brookfield Asset Management Inc. (“Brookfield”) (NYSE/TSX:BAM), which owns approximately 311,000 acres of freehold timberlands in Maine.

On closing of the initial issuance of Fund units, Fraser Papers will receive a combination of cash and securities, which are exchangeable for Fund units. Fraser Papers will receive net cash proceeds of approximately \$108 million and securities exchangeable into approximately 3.6 million units of the Fund, representing approximately 22% of the Fund units on a fully-diluted basis. Brookfield will receive net cash proceeds of approximately \$9 million and will retain securities convertible into approximately 4.5 million units of the Fund, representing approximately 27% of the Fund units on a fully-diluted basis. In addition, Brookfield or one of its affiliates will own Fund units representing 3% of the Fund units on a fully-diluted basis, and has agreed to sell these units to the Fund in the event of the exercise of the over-allotment option, which will be granted to the underwriters of the offering.

The Fund will be managed by Brookfield Timberlands Management LP, a wholly owned subsidiary of Brookfield.

The Fund offering was co-led by CIBC World Markets Inc. and RBC Capital Markets, and included Scotia Capital Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Raymond James Ltd., Desjardins Securities Inc. and Trilon Securities Corporation. A copy of the prospectus may be obtained through [www.sedar.com](http://www.sedar.com).

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*Note: This press release contains "forward-looking statements" that are based on certain assumptions and reflect Acadian's current expectations. The words "believe," "expect," "anticipate," "intend," "estimate" and other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include general economic conditions, interest rates, availability of equity and debt financing and other risks detailed from time to time in the documents filed by Acadian with the securities regulators in Canada. Acadian undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*