

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Norbord Inc.
Suite 600
1 Toronto Street
Toronto, Ontario
M5C 2W4

2. **Date of Material Change**

May 2, 2008

3. **News Release**

On May 5, 2008, Norbord Inc. ("Norbord") issued a news release through Canada Newswire. A copy of this news release is attached.

4. **Summary of Material Change**

The Board of Directors of Norbord approved settlements in the OSB Antitrust Litigation involving payment of a total of US \$32.2 million.

5. **Full Description of Material Change**

Norbord announced that it reached settlements in the OSB Antitrust Litigation filed in the US District Court for the Eastern District of Pennsylvania to limit the risks and costs associated with a prolonged trial. The settlements will cost Norbord a total of US \$32.2 million.

Under the terms of the settlement agreement with the certified class of direct purchasers of OSB, Norbord will pay US \$30 million in two equal instalments due on July 25, 2008 and October 24, 2008. Norbord will also pay US \$2.2 million under the terms of an agreement in principle with the certified classes of indirect purchasers of OSB. Both settlement agreements are subject to court approval.

Members of the certified class of direct purchasers may opt out of the class and separately pursue claims against Norbord and the other defendants. The settlement agreement with the direct purchaser class provides that if a direct purchaser opts out and later files a lawsuit against Norbord or reaches a settlement with Norbord, Norbord would receive a partial refund from the class settlement amount.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

Robin Lampard
Senior Vice President & Chief Financial Officer
416 643-8843

9. **Date of Report**

May 6, 2008



NEWS RELEASE

For immediate release

All financial references in this release are expressed in US dollars unless otherwise noted.

NORBORD SETTLES US ANTITRUST LAWSUITS

Toronto, Ontario (May 5, 2008) – **Norbord Inc. (TSX:NBD)** announced today that it has reached a settlement agreement in the OSB Antitrust Litigation to limit the risks and costs associated with a prolonged trial. Norbord has vigorously contested the plaintiffs' allegations and vehemently denies that it violated US Antitrust or any other laws.

Under the terms of the settlement agreement with the certified class of direct purchasers of OSB, Norbord will pay \$30 million into an escrow account for the benefit of the class, subject to possible opt outs. A first payment of \$15 million is due on or before July 25, 2008 and the remainder is due on or before October 24, 2008. The settlement agreement is subject to court approval.

Norbord has also reached an agreement in principle to pay \$2.2 million into an escrow account for the benefit of certified classes of indirect purchasers of OSB. The final settlement agreement with the indirect purchasers will be subject to court approval.

"The decision to settle was both difficult and disappointing," said Barrie Shingleton, President and Chief Executive Officer. "We are certain that Norbord has not violated the law. However, jury trials are inherently unpredictable and we could not guarantee a positive verdict. Given this risk, the magnitude of the plaintiffs' claims and the fact that any damages would be tripled under US Antitrust law, going to trial would have been irresponsible because it would have put the entire company at risk."

Norbord Inc. is an international producer of wood-based panels and is a publicly traded company listed on the TSX under the symbol NBD.

-end-

Contact:

Anita Veel

Director, Corporate Affairs

(416) 643-8838 / anita.veel@norbord.com

This news release contains forward-looking statements, as defined in applicable legislation. Often, but not always, words such as "will," "will be," "would be," "would have been," "could," "could have," "expected to," "would be," "believe," "would have," and other expressions that are predictions of or indicate future events, trends or prospects and that do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Norbord to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.



Although Norbord believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic conditions; risks inherent with product concentration; effects of competition and product pricing pressures; risks inherent with customer dependence; effects of variations in the price and availability of manufacturing inputs; risks inherent with a capital intensive industry; and other risks and factors described from time to time in Norbord's filings with Canadian securities regulatory authorities and the US Securities and Exchange Commission.

Except as required by applicable laws, Norbord does not undertake to update any forward-looking statements, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information. See the "Caution Regarding Forward-Looking Information" statement in the March 1, 2008 Annual Information Form and the cautionary statement contained in the "Forward-Looking Statements" section of the 2007 Management's Discussion and Analysis dated January 31, 2008.