

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

November 10, 2008

3. News Release

On November 10, 2008, Norbord Inc. (“Norbord”) issued a news release through Canada Newswire.

4. Summary of Material Change

Norbord announced initiatives to strengthen its capital structure, including a CAD \$240 million rights offering and the suspension of its CAD \$0.10 quarterly dividend. Norbord also confirmed that it has reached an agreement with its lenders to renew bank line terms to provide for, among other matters, extension until 2011.

5. Full Description of Material Change

Norbord announced that it has filed a preliminary short form prospectus with securities regulatory authorities in Canada relating to a rights offering (the “Offering”). Norbord intends to issue to each eligible shareholder, as of a record date to be announced, one right (“Right”) for each common share held. Each Right will entitle the holder to purchase units of the Corporation (“Unit”). Each unit will be comprised of one common share and one warrant.

In connection with the Offering, Norbord has entered into a Standby Purchase Agreement with Brookfield Asset Management Inc. (“Brookfield”), its major shareholder. In support of the Offering, Brookfield has agreed to exercise all of the Rights it receives and to purchase any Units not otherwise subscribed for by other shareholders of Norbord. In exchange for Brookfield’s commitment, Norbord has agreed to pay Brookfield a fee equal to 1% of the gross proceeds received from the Offering.

Norbord expects to receive gross proceeds of up to CAD \$240 million. The net proceeds from the Offering will be used to repay all amounts owing under Norbord’s existing \$100 million term debt facility with Brookfield, which will save Norbord approximately \$8

million per year in interest, and to repay certain other amounts under Norbord's revolving bank lines.

The number of common shares and warrants to be issued under the Offering, final subscription price, record date and expiry date for the Offering will be determined at the time of filing of a final short form prospectus. Under the Standby Purchase Agreement, and subject to certain conditions, the effective price for each common share issued under the Offering will be the lesser of CAD \$1.36 and 85% of the volume weighted average trading price of Norbord's common shares on the Toronto Stock Exchange ("TSX") for the five day period preceding and the five day period following the date of filing of the preliminary prospectus, subject to rounding. Norbord expects to file the final prospectus by the end of November.

Shareholders that fully exercise their Rights will be entitled to subscribe for additional Units, if available, that were not subscribed for by other Rights holders. The Rights will be exercisable for at least 21 days following the date of mailing of the final prospectus. The Offering is subject to regulatory approval, including the approval of the TSX.

Norbord also announced that in response to the unprecedented financial market turmoil and uncertainty regarding the near term recovery of US housing starts, it will suspend the CAD \$0.10 per share quarterly dividend. The dividend suspension will save Norbord approximately \$56 million on an annual basis or \$14 million per quarter, based on the exchange rate in effect at the end of the third quarter 2008. Norbord confirmed that the CAD \$0.10 dividend declaration made on October 24, 2008, payable on December 21, 2008 to shareholders of record on December 1, 2008 remains in effect and will be the last payment made until further notice.

Norbord also announced that its bank group has committed to amend its revolving bank lines by extending the term and revising the financial covenants. Norbord's bank lines will be extended to May 2011 and the financial covenants that Norbord must comply with on a quarterly basis will be amended to the following: minimum tangible net worth of \$250 million and maximum net debt to total capitalization, book basis of 70%. The aggregate bank line commitment will be reduced to \$205 million. These amendments are subject to customary conditions, including the execution of definitive documentation.

Following the use of the Offering proceeds to repay the \$75 million owing under Norbord's term debt facility with Brookfield, this facility will be amended in the same manner as the revolving bank lines and remain available to Norbord through June 2011 in the amount of \$50 million.

Norbord's third quarter 2008 liquidity, consisting of cash and cash equivalents, unutilized bank lines and the unutilized term debt facility, would be approximately \$300 million when adjusted for the receipt and use of proceeds from the Offering.

This news release contains forward-looking statements, as defined in applicable legislation. Often, but not always, words such as "will be," "would be," "believe," "will," "expect," "expects," "expected," "forecast," "estimate," "estimates,"

“estimated,” “likely,” “may,” “intends” and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which 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, which 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 filings with Canadian securities regulatory authorities. 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.

6. Reliance on Subsection 7.1(2) 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

November 12, 2008