



**NOTICE OF SHARE CONSOLIDATION
OF
NORBORD INC. COMMON SHARES**

TO NORBORD INC. REGISTERED SHAREHOLDERS:

At Norbord Inc.'s Annual and Special Meeting of Shareholders held on Wednesday, April 29, 2009, shareholders approved a special resolution consolidating Norbord Inc.'s Common Shares on the basis of one Post-Consolidation Common Share for every 10 Pre-Consolidation Common Shares (with any resulting fractions rounded down to the nearest whole share) and authorized Norbord Inc.'s Board of Directors to implement the Share Consolidation any time prior to October 31, 2009. The Board of Directors continues to believe this action is in the best interests of shareholders and has now approved the implementation of the Share Consolidation, effective October 16, 2009.

Accompanying this Notice is a Letter of Transmittal for registered shareholders holding 10 or more Pre-Consolidation Common Shares to use to exchange current share certificates for new share certificates representing the Post-Consolidation Common Shares. **If you hold less than 10 Pre-Consolidation Common Shares, you will not be entitled to any Post-Consolidation Common Shares and you need not use the Letter of Transmittal.**

If you are a participant in Norbord's Dividend Reinvestment Plan (DRIP), CIBC Mellon, as plan agent, will automatically exchange your Pre-Consolidation Common Shares for Post-Consolidation Common Shares on the terms outlined above. **If you hold less than 10 Pre-Consolidation Common Shares in the DRIP, you will not be entitled to any Post-Consolidation Common Shares and your DRIP account will be closed.**

CIBC Mellon Trust Company acts as Norbord's transfer agent and exchange agent in this matter and all letters of transmittal must be sent to them in the manner indicated in the Letter of Transmittal. **Please read the instructions carefully to ensure that your letter of transmittal is properly completed and submitted.**

DATED: October 19, 2009

NORBORD INC.

A handwritten signature in black ink, appearing to read "R. Lampard".

Per: _____
Robin Lampard
Senior Vice President and CFO

**LETTER OF TRANSMITTAL
FOR HOLDERS OF COMMON SHARES
OF NORBORD INC.**

Please read the instructions set out below carefully before completing this letter of transmittal.

TO: NORBORD INC. ("NORBORD")
AND TO: CIBC MELLON TRUST COMPANY ("CIBC MELLON")

This letter of transmittal, properly completed and duly executed, together with all other required documents, must accompany certificate(s) for pre-consolidation common shares ("**Pre-Consolidation Shares**") deposited in connection with the share consolidation (the "**Consolidation**") more fully described in the Management Proxy Circular of Norbord filed on March 26, 2009 (the "**Management Proxy Circular**"). When the Consolidation is implemented, each 10 issued and outstanding Pre-Consolidation Shares will be exchanged for 1 post-Consolidation common share ("**Post-Consolidation Share**").

No fractional Post-Consolidation Shares will be issued to shareholders. Where the Consolidation would otherwise result in a shareholder being entitled to a fractional Post-Consolidation Share, the number of Post-Consolidation Shares issued to such shareholder shall be rounded down to the nearest whole number. In calculating such fractional interests, all Post-Consolidation Shares held by a beneficial holder shall be aggregated.

The undersigned represents and warrants that the undersigned is the registered owner of the number of Pre-Consolidation Shares represented by the enclosed certificate(s) and delivers such certificate(s) to you for exchange pursuant to the Consolidation. The following are the details of the enclosed certificate(s):

DESCRIPTION OF PRE-CONSOLIDATION SHARES DEPOSITED		
Certificate Number(s)	Name in which Registered	Number of Pre-Consolidation Shares
TOTAL		

(If space is not sufficient, please attach a list in the above form.)

The undersigned:

- (a) delivers to you the enclosed certificate(s) representing Pre-Consolidation Shares for cancellation and exchange for Post-Consolidation Shares in accordance with the provisions of the articles of amendment effecting the Consolidation;
- (b) represents and warrants that the undersigned has full power and authority to deposit the Pre-Consolidation Shares for cancellation and exchange pursuant to the Consolidation, free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever;
- (c) represents and warrants that the undersigned registered owner has good title to such Pre-Consolidation Shares and that the information inserted into this letter of transmittal by the undersigned is accurate and complete;
- (d) irrevocably constitutes and appoints CIBC Mellon and any other person designated by Norbord in writing, the true and lawful agent, attorney and attorney-in-fact of the undersigned with respect to the Pre-Consolidation Shares exchanged under the Consolidation and any distributions on such securities with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable) in the name of and on

behalf of the undersigned, to register or record the cancellation and exchange of such Pre-Consolidation Shares for Post-Consolidation Shares on the securities register of Norbord;

- (e) directs Norbord and CIBC Mellon to issue or cause to be issued a certificate or certificates representing the Post-Consolidation Shares to which the undersigned is entitled in respect of the Consolidation, in the name indicated below; and to send such certificate or certificates as the case may be, to the address indicated below, and if no name, address or delivery instructions are indicated, to the undersigned at the address of the undersigned as it appears on the applicable securities register of Norbord or hold the same for pick-up;
- (f) agrees further that all questions as to the validity, form and acceptance of any Pre-Consolidation Shares will be determined by Norbord in its sole discretion and that such determination shall be final and binding;
- (g) agrees not to transfer or permit to be transferred any of the deposited Pre-Consolidation Shares; and
- (h) covenants and agrees to execute, upon request, and all such documents and other assurances as may be necessary or desirable to give effect to the Consolidation.

To the extent permitted by law, each authority conferred or agreed to be conferred by the undersigned in the letter of transmittal may be exercised during any subsequent legal incapacity of the undersigned and all obligations of the undersigned in this letter of transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Unless the Consolidation is not implemented, the deposit of Pre-Consolidation Shares pursuant to the letter of transmittal is irrevocable.

The undersigned instructs Norbord and CIBC Mellon to mail the certificates for the Post-Consolidation Shares issuable in exchange for the Pre-Consolidation Shares by first class mail, postage prepaid, or to hold such certificates for pick-up, in accordance with the instructions given below and if no instructions are given, to mail such certificates in the name and to the address of the undersigned as it appears on the applicable securities register as maintained by CIBC Mellon.

Name (Please Print)			
Address			
City	Province		Postal Code
Telephone (Office)	(Home)	Social Insurance Number (for Canadian shareholders)	Tax Identification Number (for Shareholders from countries other than Canada)

- Check here if the certificate for the Post-Consolidation Shares is to be held for pick-up at CIBC Mellon, 199 Bay Street, Commerce Court West, Toronto, ON.

COMPLETE AND SIGN AS INDICATED

Signature guaranteed by (if required under item 2 of the instructions):

Dated: _____

Authorized Signature of Guarantor

Signature of Shareholder or Authorized Representative
(see item 4 of the instructions)

Name of Guarantor (please print or type)

Address of Shareholder

Address of Guarantor (please print or type)

Telephone Number of Shareholder

Facsimile Number of Shareholder

Name of Shareholder (please print or type)

Name of Authorized Representative, if applicable
(please print or type)

INSTRUCTIONS

1. Use of letter of transmittal

Each holder of Pre-Consolidation Shares shall, as soon as practicable after receipt hereof, deliver this letter of transmittal properly completed and duly signed, together with the Pre-Consolidation Share certificate(s) to CIBC Mellon at the address specified on the back page of this letter of transmittal.

The method used to deliver this letter of transmittal and any accompanying certificates representing Pre-Consolidation Shares and all other required documents is at the option and risk of the person transmitting the certificate(s) representing the Pre-Consolidation Shares, and delivery will be deemed effective only when such documents are actually received. Norbord recommends that the necessary documentation be hand delivered to CIBC Mellon, at the address specified on the back page of this letter of transmittal and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. Shareholders whose Pre-Consolidation Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in depositing those Pre-Consolidation Shares.

2. Signatures

This letter of transmittal must be completed and signed by the holder of Pre-Consolidation Shares or by such holder's duly authorized representative (in accordance with paragraph 4 below).

- (a) If this letter of transmittal is signed by the registered owner(s) of the accompanying certificate(s) such signature(s) on this letter of transmittal shall correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. No share transfer power of attorney is necessary. If the transmitted certificate(s) are owned of record by two or more joint owners both or all such owners must sign the letter of transmittal.

- (b) If this letter of transmittal is signed by a person other than the registered holder(s) of the accompanying certificate(s):
- i) such deposited certificate(s) must be endorsed by the registered owner thereof or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s), along with any additional documentation required by Norbord or CIBC Mellon; and
 - ii) the signature(s) on such endorsement or power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and be guaranteed by one of the following methods: (A) *In Canada and the US*: a medallion guarantee obtained from a member of an acceptable Medallion Guarantee Program (STAMP, SEMP or MSP) (many banks, credit unions and broker dealers are members of a Medallion Guarantee Program), so that the guarantor affixes a stamp bearing the actual words “Medallion Guarantee”; (B) *In Canada*: a signature guarantee obtained from a major Canadian Schedule I bank that is not a member of a Medallion Guarantee Program, so that the guarantor affixes a stamp bearing the actual words “Signature Guaranteed”; and (C) *Outside Canada and the U.S.*: a guarantee from a local financial institution that has a corresponding affiliate in Canada or the U.S. that is a member of an acceptable Medallion Guarantee Program and the corresponding affiliate over-guarantees the guarantee provided by the local financial institution.

3. Fiduciaries, Representatives and Authorizations

Where this letter of transmittal is executed by a person on behalf of an executor, administrator, trustee, guardian, corporation, partnership or association or is executed by any other person acting in a representative capacity, this letter of transmittal must be accompanied by satisfactory evidence of the authority to act.

4. Miscellaneous

- (a) If the space on this letter of transmittal is insufficient to list all certificates for Pre-Consolidation Shares, additional information may be included on a separate signed list affixed to this letter of transmittal.
- (b) If Pre-Consolidation Shares are registered in different forms (e.g. 'John Doe' and 'J. Doe') a separate letter of transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted.
- (d) The Consolidation will be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and the holder of Pre-Consolidation Shares covered by this letter of transmittal hereby unconditionally and irrevocably attorns to the nonexclusive jurisdiction of the courts of the Province of Ontario and the courts of appeal therefrom.
- (e) Facsimile copies of the letter of transmittal, properly completed and duly executed, will be accepted.
- (f) The letter of transmittal, certificates of Pre-Consolidation Shares and any other required documents should be sent or delivered by each holder of Pre-Consolidation Shares or his broker, dealer, commercial bank, trust company or other nominee to CIBC Mellon at the address set forth on the back page of this letter of transmittal.

5. Lost Certificates

If a certificate has been lost or destroyed, this letter of transmittal should be completed as fully as possible and forwarded together with a letter describing the loss, to CIBC Mellon. CIBC Mellon will assist in making arrangements for the replacement of such certificates upon payment to CIBC Mellon of such reasonable fees as it may require in connection therewith.

Offices of CIBC Mellon Trust Company:

By Registered Mail or Mail:

CIBC Mellon Trust Company
P.O. Box 1036
Adelaide Street Postal Station
Toronto, ON M5C 2K4
CANADA

By Hand or Courier:

CIBC Mellon Trust Company
199 Bay Street
Commerce Court West
Securities Level
Toronto, ON M5L 1G9
CANADA

Telephone: AnswerLine®
1-800-387-0825 or 416-643-5500

E-mail address: inquiries@cibcmellon.com