



NEWS RELEASE

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IN THE UNITED STATES/

Note: Financial references in US dollars unless otherwise indicated

NORBORD PROVIDES UPDATE ON CAD \$240 MILLION RIGHTS OFFERING

TORONTO, ON (December 24, 2008) – Norbord Inc. (TSX:NBD) announced today that it has completed the initial subscription under its previously announced rights offering to shareholders of approximately CAD \$240 million.

Under the offering, approximately 110 million units comprising approximately 110 million common shares and approximately 55 million warrants were issued to shareholders that elected to exercise rights, including exercise of the basic subscription right by Brookfield Asset Management Inc. (TSX and NYSE:BAM, Euronext:BAMA) or its affiliates (collectively, "Brookfield"), Norbord Inc.'s largest shareholder. Gross proceeds from the initial subscriptions totaled approximately CAD \$96 million.

Norbord also announced today that, pursuant to the terms of its Standby Purchase Agreement with Brookfield, the closing date for the completion of the standby commitment has been set for January 6, 2009. Under the terms of the Standby Purchase Agreement, Brookfield will purchase an additional approximately 163 million common shares and 81 million warrants for gross proceeds of approximately CAD \$144 million. Upon satisfaction of the standby commitment, Brookfield will hold a total of approximately 325 million common shares or approximately 75% of the total number of Norbord's common shares issued and outstanding and approximately 131 million warrants.

Upon completion of the standby commitment, Norbord expects a total of approximately 432 million common shares and 136 million warrants of Norbord Inc. will be issued and outstanding.

This news release does not constitute an offer to sell or the solicitation of an offer to buy these securities. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The Company does not intend to register any portion of this offering in the United States.

Norbord Profile

Norbord Inc. is an international producer of wood-based panels with assets of \$1.1 billion, employing approximately 2,700 people at 15 plant locations in the United States, Europe and Canada. Norbord is one of the world's largest producers of oriented strand board (OSB). In addition to OSB, Norbord manufactures particleboard, medium density fibreboard (MDF), hardwood plywood and related value-added products. Norbord is a publicly traded company listed on the Toronto Stock Exchange under the symbol NBD.

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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.