

News Release

NORBORD ANNOUNCES PRICING OF SENIOR NOTES OFFERING

Note: Financial references in US dollars unless otherwise indicated.

NOT FOR DISTRIBUTION IN THE UNITED STATES

TORONTO, ON (June 7, 2012) – Norbord Inc. (TSX: NBD, NBD.WT) today announced that it has priced its offering of approximately US\$240 million in aggregate principal amount of senior notes (the Notes). The Notes will be due June 15, 2015 and will bear interest at an annual rate of 6.25%. The Company expects to close the offering of the Notes on June 15, 2012, subject to the satisfaction of customary closing conditions.

As previously announced, the offering is comprised of two tranches. The first tranche consists of US\$165 million of senior secured notes that will rank *pari passu* with the Company's existing senior secured notes due 2017 and committed revolving bank lines. The second tranche consists of US\$75 million of senior unsecured notes.

The senior secured notes were offered by a syndicate of underwriters by way of a private placement under applicable securities laws. The senior unsecured notes have been placed directly with an unrelated institutional investor.

Norbord intends to use the net proceeds from the Notes offering to refinance its existing US\$240 million 7.25% debentures due July 1, 2012.

The Notes will not be qualified for distribution to the public under the securities laws of any province or territory of Canada and may not be offered or sold in Canada, directly or indirectly, other than pursuant to applicable private placement exemptions. The Notes have not and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction.

Norbord Profile

Norbord Inc. is an international producer of wood-based panels with assets of \$1 billion, employing approximately 2,000 people at 13 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) and related value-added products. Norbord is a publicly traded company listed on the Toronto Stock Exchange under the symbols NBD and NBD.WT.

-end-

Contact:

Heather Colpitts
Manager, Corporate Affairs
Tel. (416) 365-0705
info@norbord.com

This news release contains forward-looking statements, as defined in applicable legislation, including statements related to our strategy, projects, plans, future financial or operating performance and other statements that express management's expectations or estimates of future performance. Often, but not always, words such as "will," "expects," "subject to," "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, 2012 Annual Information Form and the cautionary statement contained in the "Forward-Looking Statements" section of the 2011 Management's Discussion and Analysis dated January 26, 2012 and Q1 2012 Management's Discussion and Analysis dated April 26, 2012.