

NEWS RELEASE

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Note: Financial references in US dollars unless otherwise indicated

NORBORD ANNOUNCES INITIATIVES TO STRENGTHEN BALANCE SHEET

Highlights

- **Reaches agreement to amend bank lines**
- **Suspends quarterly dividend; \$56 million in annualized savings**
- **Raising CAD \$240 million through rights offering**
- **Brookfield Asset Management supports offering by entering into standby purchase agreement**

TORONTO, ON (November 10, 2008) – Norbord Inc. (TSX:NBD) today announced initiatives to strengthen its capital structure, including a CAD \$240 million rights offering and the suspension of its CAD \$0.10 quarterly dividend. The company 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.

As part of these ongoing initiatives, Norbord 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") (TSE:BAM; NYSE:BAM), 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 the Company. In exchange for Brookfield's commitment, the Company has agreed to pay Brookfield a fee equal to 1% of the gross proceeds received from the Offering.

"We have announced this Offering with confidence that we have excellent operational management, the right strategy and the necessary support of our stakeholders to emerge from the current cycle a stronger company," said Barrie Shingleton, President and CEO. "The proceeds from this Offering and renewal of bank lines will enable Norbord to continue as a leader in the industry."

The Company 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 the Company's existing \$100 million term debt facility with Brookfield, which will save the Company approximately \$8 million per year in interest, and to repay certain other amounts under the Company'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 the Company'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 are encouraged to read the final prospectus before making an investment decision regarding the Rights.

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.

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.

Quarterly Dividend Payment Suspension

In response to the unprecedented financial market turmoil and uncertainty regarding the near-term recovery of US housing starts, the Company announced today that its Board of Directors will suspend the CAD \$0.10 per share quarterly dividend. The dividend suspension will save the Company 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.

Bank Covenant Amendments

Norbord also announced today that its bank group has committed to amend the Company's revolving bank lines by extending the term and revising the financial covenants. The Company'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 the Company'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.

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.