



MILLAR WESTERN FOREST PRODUCTS LTD.

Tel: 780.486.8200 Fax: 780.486.8282

Millar Western assumes ownership of Fox Creek lumber operation

August 1, 2007

Fox Creek, Alberta -- H. MacKenzie Millar, President and CEO of Millar Western Forest Products Ltd., today announced that the company's acquisition of the operating assets of Mostowich Lumber Ltd. has been successfully completed. Millar Western assumes ownership and management of the Fox Creek mill and associated woodlands operations effective today, August 1st.

Now called Millar Western Forest Products Ltd., Fox Creek Wood Products Division, the mill will carry on business as usual, operating with its full current complement of 56 employees to produce spruce-pine-fir dimension lumber at the rate of 45 million board feet per year. The mill will continue to be supplied with timber harvested from sustainably managed forests.

Millar stated, "The Fox Creek operation is an ideal fit with Millar Western, and we are delighted to bring it into our organization. Working closely with our new employees, we will build upon the strengths the mill has demonstrated over its many years in business, and position the mill for long-term success. These efforts will be led by our new Fox Creek Operations Manager, Austin Walsh."

Coming to Fox Creek from the company's Boyle lumber operation, where he served as Sawmill Superintendent, Austin Walsh brings to his new role 25 years of experience in Millar Western's wood products business. Said Walsh, "I look forward to working with the great people at Fox Creek, and making the most of all the opportunities that lie ahead for the operation."

Millar Western is a family-owned forest products company that has been active in this region's woodlands since 1922. Headquartered in Edmonton, the company operates lumber facilities in Whitecourt and Boyle, and a bleached chemi-thermomechanical pulp (BCTMP) mill in Whitecourt. The company's manufacturing facilities are supplied by its certified sustainable forest management operations, based in Fox Creek, Whitecourt and Boyle.

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For more information, contact:

Janet Millar, Communications Director
780-486-8249