

**INCOME TAX CONSIDERATIONS FOR
FORMER HOLDERS OF EXCHANGEABLE SHARES
OF WEYERHAEUSER COMPANY LIMITED**

Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “**Canadian Tax Act**”) to a former holder of exchangeable shares (the “**Exchangeable Shares**”) of Weyerhaeuser Company Limited (“**Exchangeco**”) whose Exchangeable Shares were acquired by Weyerhaeuser Holdings Limited (“**Holdings**”) in exchange for common shares of Weyerhaeuser Company on April 29, 2008. The following is applicable only to a former holder of Exchangeable Shares (a “**Holder**”) who, for purposes of the Canadian Tax Act and at all relevant times, is a resident of Canada, held the Exchangeable Shares as capital property, deals at arm’s length and is not affiliated with Exchangeco, Holdings or Weyerhaeuser Company. This summary does not apply to a holder of Exchangeable Shares with respect of whom Weyerhaeuser Company is or will be a foreign affiliate within the meaning of the Canadian Tax Act.

This summary is based on the provisions of the Canadian Tax Act, the regulations thereunder and on an understanding of the publicly available published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) as in effect immediately prior to May 1, 2008. This summary takes into account all proposed amendments to the Canadian Tax Act made publicly available prior to May 1, 2008 although no assurances can be given that the proposed amendments will be enacted in the form proposed or at all. This summary does not take into account or anticipate any other changes in law or in the administrative policies or assessing practices of the CRA, whether by judicial, governmental or legislative action or decision nor does it take into account provincial, territorial or foreign income tax legislation or considerations which may differ from the Canadian federal income tax considerations described herein.

This summary is of a general nature only and is not intended to be and should not be construed to be legal, business or tax advice to any particular Holder and all such Holders should consult their own tax advisors as to the tax consequences of the disposition of their Exchangeable Shares based on their particular circumstances.

Disposition

The Canadian tax results of a Holder for a particular taxation year must be determined using Canadian currency calculated on the basis provided in the Canadian Tax Act in that regard.

A Holder will be considered to have disposed of each of the Exchangeable Shares held by such Holder on April 29, 2008 for proceeds of disposition equal to the fair market value of one share of Weyerhaeuser Company at that date. Accordingly, such Holder will realize a capital gain (or a capital loss) to the extent that the fair market value of the common shares of Weyerhaeuser Company received exceeds (or is exceeded by) the adjusted cost base of the Exchangeable Shares to the Holder immediately prior to such disposition.

For its purposes, Weyerhaeuser Company determined that the fair market value of one common share of Weyerhaeuser Company on April 29, 2008 was U.S.\$63.865 which was the average of the closing bid and asked prices of such shares on the New York Stock Exchange during a period of 20 consecutive trading days ending on April 25, 2008. This determination is not binding on the CRA and no assurances can be given that the CRA will accept this fair market value. The rate of exchange quoted by the Bank of Canada at noon on April 29, 2008 for one U.S. dollar was Cdn.\$1.0131.

One half of any capital gain (the “**taxable capital gain**”) realized by a Holder will be included in the Holder’s income for the year of disposition. One half of any capital loss so realized (the “**allowable capital loss**”) may be deducted by the Holder against taxable capital gains for the year of disposition. Any excess of allowable capital losses over taxable capital gains for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Canadian Tax Act. Capital gains realized by an individual, including certain trusts, may give rise to alternative minimum tax under the Canadian Tax Act. A Canadian-controlled private corporation as defined by the Canadian Tax Act may be liable to pay an additional refundable tax of 6 2/3% on taxable capital gains.

If the Holder is a corporation, the amount of any capital loss arising on a disposition of an Exchangeable Share may be reduced by the amount of dividends received or deemed to have been received by such Holder on such share to the extent and under the circumstances prescribed by the Canadian Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Exchangeable Shares or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

Common Shares of Weyerhaeuser Company

The cost to a Holder of the common shares of Weyerhaeuser Company received from Holdings on April 29, 2008 will be equal to the fair market value of such shares determined at the time of acquisition. A Holder will be required to average such cost with the adjusted cost base of all other common shares of Weyerhaeuser Company then held as capital property in accordance with the detailed provisions of the Canadian Tax Act for the purpose of determining the adjusted cost base of such common shares.

In general, the tax consequences to a Holder of owning the common shares of Weyerhaeuser Company received from Holdings will be the same as if such shares had been acquired by the Holder in the open market for a cost equal to the fair market value thereof. Holders are advised to consult with their own tax advisors in that regard.