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CALIFORNIA REDWOOD COMPANY TO CLOSE ORICK SAWMILL

Eureka, CA -- California Redwood Company announced today that it will close operations at its sawmill in Orick, California. Employees were informed this morning that the mill will close on October 15, 2009.

“The lumber market continues to suffer due to weak demand from the housing market,” stated Carl Schoenhofer, Vice President and General Manager of California Redwood Company. “Our mill in Orick has a proud tradition of producing superior products by a skilled and experienced workforce; however, we must continue to make very difficult decisions about how we operate our business, given current market conditions,” he continued.

The Orick sawmill was acquired by Simpson Timber Company (now California Redwood Company) from Arcata Redwood Company in 1988. The sawmill has been in operation since 1954.

“We will be doing all we can to assist the employees affected by the mill’s closure,” stated Schoenhofer. Severance and other programs

will be discussed with each employee at the mill, according to Schoenhofer. It is estimated that approximately 43 hourly and 4 salaried jobs will be eliminated. An undetermined number of positions will be added to the Korbel facility in the near term.

In addition, it was announced that California Redwood Company will be transferring all large log processing to the Korbel sawmill. An undetermined number of positions will be added to the Korbel facility following installation of the necessary equipment.

“Over the last few years, with significant capital improvements, our Korbel facility has been streamlined and configured to offer a product mix that will emulate Orick’s standard production, along with its regular offering,” Schoenhofer stated. “We are confident that the new operating efficiencies will insure consistent product quality, and will allow more flexibility at one location,” he concluded.

The transfer of the head-rig and edger from Orick to the Korbel Mill should be completed by January of 2010.

The Orick Mill site will continue to be used as a log sorting yard for the immediate future. Evaluation of the site for future use is being evaluated.

California Redwood Company is a wholly owned subsidiary of Green Diamond Resource Company, which is headquartered in Seattle, Washington.