



# Westshore Terminals Investment Corporation

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## WESTSHORE TERMINALS ANNOUNCES Q4 2011 DISTRIBUTION

December 13, 2011

**Vancouver, British Columbia** – Westshore Terminals Investment Corporation (TSX: WTE.UN) (the “Corporation”) and Westshore Terminals Holdings Ltd. (“Holdings”) announced today that a payment of \$19,397,817 (representing \$0.26125 per unit) will be paid on or before January 13, 2012 to unitholders of record on December 31, 2011 as compared to a distribution of \$36,011,258 from Westshore Terminals Income Fund (representing \$0.485 per fund unit) for the fourth quarter of 2010. The distributions per unit for Q4 2010 v. 2011 compare as follows:

	<u>2010</u>	<u>2011</u>
From operations:	\$0.391	\$0.261
From cash reserves:	\$0.094	n/a

\$0.13 per unit of the Q4 2011 distribution is in the form of a dividend on the shares of the Corporation, and the remaining \$0.13125 per unit is interest on the \$5.00 Notes issued by Holdings bearing interest at 10.5% per annum.

Distributions for 2011 are not comparable to those paid in 2010 when the structure of the entity was an income fund, rather than the corporate form, and no income taxes were paid at the fund level. In 2010, distributions were also increased by payments of cash reserves (as shown above) and no such additional cash payments are contemplated for 2011.

For the eleven months ended November 30, 2011, Westshore loaded 24.7 million tonnes as compared to 22.3 million tonnes for the same period in 2010. Based on information currently available, Westshore anticipates volumes in 2011 will be in approximately 27 million tonnes as compared to 24.7 million tonnes in 2010, representing a new throughput record for the terminal.

For 2012, based on estimates that have been provided to Westshore by its customers and allowing for anticipated interruptions at the terminal expected during the last two weeks of March 2012 (when three major replacements transfer chutes will be installed) and for approximately five weeks commencing at the end of September 2012 (when the single railcar dumper will be changed out to a double dumper), all as part of previously planned and announced maintenance and capital expansion projects, Westshore nevertheless anticipates throughput volumes to be at similar levels to 2011, but at higher overall rates. Following completion of these projects which are expected by the end of 2012 or Q1 2013, it is anticipated that the rated capacity of the terminal will be approximately 33 million tonnes per year, based on certain regular operating assumptions.

**Canadian taxable former holders of Westshore Terminals Income Fund unitholders may elect to obtain a full or partial tax free rollover for Canadian tax purposes (resulting from the disposition of the former fund units for the current Corporation/Holdings units), if such former unitholders make the appropriate tax election. Unitholders interested in making an election must provide the relevant information requested on the Fund’s tax election website, by no later than 5:00 pm (Vancouver time) on February 29, 2012, although unitholders may need to provide the information sooner depending on their taxation year-ends and filing deadlines. Unitholders are strongly encouraged to consult their own tax advisors in this regard.**

As reported in the Q2 and Q3 2011 reports, on July 20, 2011 the Federal Department of Finance issued a news release and “backgrounder” announcing proposed amendments to the provisions in the Income tax Act concerning the income tax treatment of specified investment flow through entities and publicly traded corporations. The effect of the proposed amendments would be to deny the deductibility of interest on Holding’s \$371 million principal amount of 10.5% notes. A subcommittee of the board of directors has been formed to explore options for changes, if any, to the capital structure of the Corporation and Holdings. Given the grace period for the transition under these new rules to July 2012, it is expected that any proposed changes that would require approval by securityholders will be presented at the June 2012 Annual General Meeting.

The foregoing statements concerning expected throughput volumes are forward-looking statements that reflect the current expectations of the Corporation with respect to future events and performance. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such performance or results will be achieved.

Forward-looking statements are based on information available at the time they are made, assumptions made by management, and management’s good faith belief with respect to future events, and will be impacted by and are subject to the risks and uncertainties outlined in the Corporation’s Annual Information Form that could cause actual performance or results to differ materially from those reflected in the forward-looking statements, historical results or current expectations.

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