



WESTERN FOREST PRODUCTS INC.

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FOR IMMEDIATE RELEASE

TSX: WEF

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WESTERN ANNOUNCES COMPLETION OF RIGHTS OFFERING

January 21, 2009 – Duncan, British Columbia – Western Forest Products (TSX: WEF) (“Western” or the “Company”) today announced that it has completed its \$50 million rights offering, which was announced on December 1, 2008.

A total of approximately 188.7 million common shares were subscribed for by rightholders pursuant to the basic subscription right, including exercise of the basic subscription right by Tricap Management Limited (“Tricap”), Western’s largest shareholder, for proceeds of approximately \$35.9 million. The shares will be issued not later than January 27, 2009.

Due to the exercise of the additional subscription privilege by rightholders, including Tricap, it will not be necessary for Tricap to purchase shares pursuant to the terms of the standby purchase agreement. Pursuant to the additional subscription privilege, rightholders will purchase the approximately 74.5 million shares not otherwise purchased by rightholders under the basic subscription right for gross proceeds of approximately \$14.1 million. As such, a total of approximately 263.2 million shares will be issued in connection with the rights offering, for aggregate proceeds of \$50 million.

Prior to this rights offering, Tricap beneficially owned 49% of the outstanding common shares. Western may, at its option, permit the exercise of only that portion of the rights owned by Tricap that would result in Tricap beneficially owning, or exercising control or direction over, not more than 49% of the common shares now outstanding (the “Exchange Limitation”). For that number of common shares that would otherwise have been issued on an exercise of rights but for the application of the Exchange Limitation, Western will deliver non-voting shares in lieu of an equivalent number of common shares. Upon the closing of the rights offering, Tricap will hold a total of 63,026,544 common shares and 338,945,860 non-voting shares or approximately 49%

and 100% of Western's issued and outstanding common shares and non-voting shares, respectively.

Upon the closing of the rights offering, Western expects a total of approximately 128,625,600 common shares and 338,945,860 non-voting shares will be issued and outstanding.

The net proceeds from the rights offering will be used to reduce indebtedness under Western's revolving line of credit, thereby providing additional liquidity. The amounts repaid under this facility will be available to be redrawn for general corporate purposes.

As previously announced, one of Western's existing lenders agreed to provide \$15 million of interim additional financing pending the closing of the rights offering, conditional on Brookfield Asset Management Inc., an affiliate of Tricap, providing the lender with a letter of credit in the amount of \$15 million. Upon the closing of the rights offering, the letter of credit will be withdrawn.

THIS RELEASE DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES FOR SALE.

Forward Looking Statements and Information

This press release contains statements which constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. Those statements and information appear in a number of places in this document and include statements and information regarding our current intent, belief or expectations primarily with respect to market and general economic conditions, future costs, expenditures, available harvest levels and our future operating performance, objectives and strategies. Such statements and information may be indicated by words such as "estimate", "expect", "anticipate", "plan", "intend", "believe", "should", "may" and similar words and phrases. Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include, among others: general economic conditions, competition and selling prices, changes in foreign currency exchange rates, labour disruptions, natural disasters, relations with First Nations groups, changes in laws, regulations or public policy, misjudgments in the course of preparing forward-looking statements or information, changes in opportunities and other factors referenced under the "Risk Factors" section in our Annual Information Form dated March 4, 2008, under the "Risks and Uncertainties" section of our MD&A in our 2007 Annual Report and those referenced in our MD&A in our most recently filed quarterly report. All written and oral forward-looking statements or information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Except as required by law, Western does not expect to update forward-looking statements or information as conditions change.

Western Forest Products

Western is an integrated Canadian forest products company and the largest coastal British Columbia woodland operator and lumber producer with an annual available harvest of approximately 7.5 million cubic metres of timber of which approximately 7.3 million cubic metres is from Crown lands and lumber capacity in excess of 1.5 billion board feet from eight sawmills and four remanufacturing plants. Principal activities conducted by the Company include timber harvesting, reforestation, sawmilling logs into lumber and wood chips and value-added remanufacturing. Substantially all of Western's operations, employees and corporate facilities are located in the coastal region of British Columbia while its products are sold in over 30 countries worldwide.

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