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FOR IMMEDIATE RELEASE

TSX: WEF

Western Reports Second Quarter 2010 EBITDA of \$20.9 million

July 30, 2010 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) (“Western” or “the Company”) today announced results for the second quarter ended June 30, 2010. The Company reported EBITDA of \$20.9 million for the second quarter of 2010 compared to EBITDA of \$8.0 million in the first quarter and negative EBITDA of \$16.0 million for the second quarter of 2009. Net income for the second quarter of 2010 was \$9.5 million (\$0.02 per share), on sales of \$181.5 million, which compared to a net income reported in the first quarter of 2010 of \$7.3 million (\$0.02 per share) and a net loss reported for the second quarter of 2009 of \$30.1 million (\$0.06 per share).

FINANCIAL SUMMARY

	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
<i>(millions of dollars except where noted)</i>				
Sales	\$ 181.5	\$ 138.7	\$ 319.8	\$ 291.3
EBITDA	20.9	(16.0)	28.9	(31.9)
EBITDA as % of sales	11.5%	(11.5)%	9.0%	(11.0)%
Operating income (loss)	11.9	(27.7)	12.5	(50.4)
Net income (loss) from continuing operations	9.8	(29.5)	17.7	(54.5)
Net income (loss) and comprehensive income (loss)	9.5	(30.1)	16.8	(55.6)
Basic and diluted net income (loss) per share (in dollars)	\$ 0.02	\$ (0.06)	\$ 0.04	\$ (0.13)

During the second quarter of 2010, product demand and pricing remained below historical trend levels. Despite the significant market challenges EBITDA for the quarter was \$20.9 million, which is an improvement for the fourth consecutive quarter. Results were positively impacted by a marginal improvement in market conditions, significantly reduced costs and increased production volumes which reduced unit operating costs. These positive gains were adversely impacted by the strengthening of the Canadian dollar relative to the US dollar. The average exchange rate for the second quarter of 2010 of 1.029 was 12% lower than the average of 1.167 in the second quarter of 2009.

The net income for the second quarter of 2010 was \$9.5 million which is an improvement of \$39.6 million compared to the loss of \$30.1 million incurred in the second quarter of 2009, and an improvement of \$2.2 million compared to the net income of \$7.3 million reported in the first quarter of 2010. First quarter 2010 net income included the benefit of a net \$8.9 million one-time gain that arose from the reorganization of WFP Forest Products Limited. Excluding this item the net income increased by \$11.1 million in the second quarter of 2010 compared to the first quarter of 2010.

Markets and Outlook

As expected, the recovery of the global economy continues to be extremely slow. The U.S. economy with generally high unemployment, increased home foreclosures, and tight credit, remains unpredictable. As a result, we expect only marginal improvements in new home construction for the remainder of 2010 and into 2011. Modest improvements in market demand for the second quarter in the US were largely tied to distributors refilling their depleted inventory chains, rather than increased demand from end customers. It is likely that lumber products, particularly commodity products, directed to this market will see continued demand and price turbulence, as this market works its way to recovery. Increased log and lumber demand in China, particularly for lower grade products, has helped offset the situation in the U.S. However, expansion into these markets will be slow and will see increased competition from producers seeking refuge from a weak U.S. market. Economic activity in Canada appears to be more stable and should allow sales revenue levels to be maintained, while European lumber demand has slowed significantly in the past couple of months due to economic concerns there.

With the relative uncertainty existing in the global marketplace, the Company remains focused on:

- Continuing to optimize production with global demand
- Preserving liquidity and generating positive free cash flow
- Controlling spending and identifying opportunities to further reduce cash costs.

The Company will also continue to pursue opportunities that may arise to sell non-core or other land assets as appropriate. Any proceeds will first be directed to reduce or eliminate long-term debt with any surplus used to provide additional liquidity.

On July 26, 2010, the Company announced that it has reached a tentative agreement with the United Steelworkers Union ("USW") on a new four year labour contract. The contract, which covers the vast majority of Western's unionized hourly workforce, includes USW Locals 1-85 and 1-1937 and the Council of USW Locals certified for certain divisions of Western. The contract is subject to a ratification vote by the USW members, which may take several weeks to complete. Details of the tentative agreement are expected to be released during the certification process. The Company's last contract with the USW, the Coast Master Agreement, expired on June 15, 2010.

Also on July 26, 2010, the Company announced that it will be re-starting its previously idled Ladysmith sawmill on or around September 7, 2010. The sawmill was indefinitely closed on April 26, 2008 due to poor market conditions. The operation will now employ approximately 29 workers operating on a one shift basis. In conjunction with the Ladysmith startup, Western also announced the ratification of a new labour agreement with Local 8 of the Pulp and Paper Workers of Canada Union ("PPWC"), which represents the hourly employees at the Ladysmith sawmill. Key provisions of the agreement include: a four year term expiring on December 31, 2014 with annual wage increases of 0%, 0%, 2% and 2% respectively. The last agreement with the PPWC expired on June 15, 2009.

The Second Interim Report for 2010 is available on SEDAR and the Company's website at www.westernforest.com.

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 "Risks and Uncertainties" section of our MD&A in our 2009 Annual Report dated March 3, 2010. 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.

⁽¹⁾ Reference is made in this report to EBITDA which is defined as operating income (loss) plus amortization of property, plant and equipment and the write-down of property, plant and equipment and operating restructuring costs added back. Western uses EBITDA as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. EBITDA does not represent cash generated from operations as defined by Canadian GAAP and it is not necessarily indicative of cash available to fund cash needs. Furthermore, EBITDA does not reflect the impact of a number of items that affect our net income (loss). EBITDA is not a measure of financial performance under GAAP, and should not be considered as an alternative to measures of performance under GAAP. Moreover, because all companies do not calculate EBITDA in the same manner, EBITDA as calculated by Western may differ from EBITDA as calculated by other companies.

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 7.4 million cubic metres of timber of which approximately 7.1 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 25 countries worldwide.

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