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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Achieves Record Sales Levels in 2012

2012 HIGHLIGHTS

- Sales revenues of $925.4 million
- EBITDA of $50.6 million
- Year-end liquidity improved by $73.0 million to $185.1 million from the end of 2011
- Net debt decreased to $15.0 million
- Our Saltair mill upgrade project is well underway with expected completion by Q2 2013

"A strong operating performance and improved lumber markets allowed Western to deliver the highest sales in company history. Log and lumber sales increased as we continued to profitably grow our business to meet market demand. We delivered $50.6 million of EBITDA and continued to make significant improvements to our balance sheet. Our net debt is now at an all-time low of $15.0 million and our liquidity improved to $185.1 million by year end, ensuring we are well positioned to continue to reinvest in our business and consider other capital allocation alternatives to enhance long term value for shareholders" said Dominic Gammiero, Chairman of the Board.

February 21, 2013 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the fourth quarter and year ended December 31, 2012. The Company reported EBITDA of $14.2 million for the fourth quarter of 2012, compared to EBITDA of $11.6 million for the fourth quarter of 2011.

Net income for the fourth quarter of 2012 was $14.6 million ($0.03 per share), on sales of $231.2 million, which compared to a net income reported for the fourth quarter of 2011 of $3.3 million ($0.01 per share) on sales of $220.7 million.

FINANCIAL SUMMARY

	Three months ended December 31		Twelve months ended December 31	
(millions of dollars except where noted)	2012	2011(2)	2012	2011(2)
Revenue	$ 231.2	$ 220.7	$ 925.4	$ 853.7
EBITDA	14.2	11.6	50.6	61.6
EBITDA as % of revenue	6.1%	5.3%	5.5%	7.2%
Operating income prior to restructuring items and other income (expenses)	20.9	5.0	37.3	35.0
Net income from continuing operations	14.8	3.6	30.2	24.9
Net income	14.6	3.3	29.1	23.8
Basic and diluted earnings per share (in dollars)	0.03	0.01	0.06	0.05
Net Debt at December 31			15.0	52.1
Liquidity at December 31			185.1	112.1

(2) Figures for 2011 have been restated to reflect the accounting policy change with respect to the costing of log inventories from the distributed cost method to the average cost of production method on January 1, 2012.

Fourth quarter, 2012

We saw an overall improvement in market conditions in the fourth quarter of 2012. Historically, lumber prices decrease in the fourth quarter of the year as seasonal demand declines. However, North American commodity prices unexpectedly increased during the quarter, along with Western Red Cedar ("WRC") prices. Japanese market demand also improved, and we anticipate pricing will improve as levels of housing activity continue to increase in Japan. Despite difficult logging conditions due to weather, we were able to meet customer lumber demand by improving productivity in our sawmills and drawing down our log and lumber inventories.

We reported EBITDA of $14.2 million in the fourth quarter of 2012, an increase of $2.6 million over the fourth quarter of 2011. The increased EBITDA results from higher sales volumes of lumber and higher average log and lumber selling prices.

Revenue was $10.5 million, or 5%, higher in the fourth quarter of 2012 compared to the fourth quarter of 2011. Lumber and log revenues were both higher with a small decrease in by-products sales.

Lumber shipment volumes were 6% higher this quarter and selling prices at the mill net level were higher in the current quarter compared to a year ago, with WRC, hemlock and cypress all being higher. However, overall gross average prices received were marginally lower in this quarter compared to the fourth quarter 2011 because revenues used to determine average overall selling prices included foreign exchange gains of approximately $2.0 million in the fourth quarter of 2011 with only a minor equivalent adjustment in the current quarter, and distribution costs were lower in the current quarter compared to the fourth quarter of 2011.

As we worked through our order file in the fourth quarter of 2012 we started to see the impact of rising global lumber prices. We did not see the significant increases in lumber prices that may have been expected given the surge in benchmark commodity prices over the fourth quarter of 2012. Part of the reason for this is the fact that our product prices are typically less volatile than commodity prices, and also because our order file is longer.

Log sales revenue in the fourth quarter of 2012 was $2.7 million higher than the same quarter in 2011. While shipment volumes were 2% less in fourth quarter of 2012 compared to the same quarter in 2011, average prices realized were 6% higher. Most log species showed increased prices in the fourth quarter this year with the exception of pulplogs which were 8% lower. Also in the current quarter, we sold more high priced cypress sawlogs. By-product revenues were $0.9 million lower this quarter compared to 2011, principally as a result of lower pulp prices.

Sawmill production in the fourth quarter of 2012 was marginally higher than the fourth quarter 2011, but with fewer shifts being run, which means that productivity per shift was 7% higher in 2012.

Timberlands harvest production volumes were the same for the two quarters. The cost of logs sold in the fourth quarter sales largely reflect different operating conditions in the third quarter of the respective years. In 2012, Western incurred higher log distribution costs in order to expedite log deliveries to meet demand pressures, partially caused by the low availability following late summer curtailments resulting from exceptionally hot and dry weather conditions. In contrast, fourth quarter 2011 costs benefitted from lower production costs due to favourable third quarter harvesting conditions. Partially offsetting the negative impacts of this, cost recoveries earned in timberlands in the fourth quarter of 2012 were $3.0 million higher than the fourth quarter of 2011, as it included an insurance claim recovery for weather related damages, a Bill 13 contract settlement, and higher Forest License Use Agreement revenues.

Selling and administration expenses in the fourth quarter of 2012 were $6.9 million, the same as in the fourth quarter of 2011. Operating restructuring items were $4.4 million higher in the fourth quarter of 2012 than the same quarter of 2011. The primary reason for this is the inclusion in 2012 of $4.0 million expensed as a result of restructuring harvesting operations in TFL 44 in order to improve its operating performance in the future.

For the fourth quarter of 2012, the Canadian dollar average exchange rate was 3% and 8% stronger relative to the USD and the Yen, respectively, compared to the rates for the fourth quarter of 2011. This had a negative effect on our earnings in the current quarter compared to the same quarter in 2011.

Other expenses in the fourth quarter of 2012 of $0.9 million compares to other expenses of $0.3 million in the fourth quarter of 2011. Included in the fourth quarter of 2012 was a net loss on non-core asset sales of $1.5 million, partially offset by income of $0.9 million received from the Province of British Columbia for costs incurred by Western relating to a First Nations treaty (Sliammon Treaty). Finance costs in the current quarter were $1.0 million in the fourth quarter of 2012 which is $0.4 million lower than the fourth quarter of 2011, primarily as a result of lower average debt levels in the current quarter.

Net income of $14.6 million reported in the fourth quarter of 2012 was an $11.3 million increase over the income of $3.3 million reported for the same quarter of 2011. The difference was largely due to the 2012 income including an impairment reversal of $12.9 million on our timber license valuation. Excluding this item, the current quarter net income is $1.6 million lower, and operating income $2.0 million lower, than the fourth quarter of 2011.

Year ended December 31, 2012

Overview

Western's business continued to grow in 2012 with sales revenue reaching $925.4 million, an increase of $71.7 million, or 8%, from the prior year. The increase in sales revenue in 2012 was the result of higher shipment volumes for both lumber and logs and higher lumber prices. We generated EBITDA of $50.6 million in 2012, a decline of $11.0 million from the prior year. The reduced result was primarily due to the weakness in world pulp markets which led to lower selling prices for our pulp logs and by-products. In addition, we realized lower selling prices for export logs and we incurred higher log costs during 2012 as a result of difficult weather conditions. Partially offsetting these factors was the benefit of a positive change in the mix of our log sales in 2012. Proportionately more logs were sold in the domestic and export markets, and relatively fewer lower priced pulp logs were sold. Importantly, productivity at our sawmills in 2012 continued to improve as lumber production volume increased by 8% over 2011, while capacity utilization was flat year on year.

Our net income of $29.1 million in 2012 was an increase of $5.3 million over our 2011 net income of $23.8 million. Following an independent impairment assessment of our timber licenses undertaken at the end of 2012, the Company partially reversed a previously recognized impairment by $12.9 million in the fourth quarter of 2012. Excluding this item our net income in 2012 fell by $7.6 million compared to 2011.

Finance costs in 2012 were lower than 2011 by $1.6 million, or 24%, as a result of lower debt levels and lower interest rates. Selling and administration costs were higher in 2012 by $2.4 million, or 9%, as a result of increased employee costs and contractor services, but as a percentage of revenues there was no change year-on-year.

Revenues

Lumber revenue in 2012 was $63.3 million, or 11%, higher than in 2011. Western shipped 894 million board feet of lumber (“mmfbm”) in 2012, which was up 10% from the 811 mmfbm shipped last year. Markets began the year with relatively weak demand, but United States (“US”) housing starts began accelerating through the year. As US demand improved we experienced better pricing for both our western red cedar (“WRC”) and commodity segments. We believe that the Japanese and Chinese markets had accumulated excess inventories in the first half of 2012 which they needed to reduce and, as a result, demand in those markets did not begin improving until the fourth quarter of 2012.

Overall average prices per board foot of lumber sold in 2012 were marginally higher than 2011. This result masks the upward trend in pricing which did not gain momentum until the latter part of the year. Increased lumber demand in the US helped move pricing up in WRC and commodity lumber starting late in the third quarter of 2012. Prices in Japan started moving up in the fourth quarter of 2012, but prices in our niche segment remained flat. We expect these trends to continue through to the second quarter of 2013.

In 2012, our overall 10% increase in shipments reflected higher volumes to Canada, the US and Japan, which was partially offset by lower volumes to China, Europe and Australasia. Rising North American lumber demand and pricing is providing higher margin opportunities in the commodity segment of our business.

Our lumber sales volume into Canada increased by 31% over 2011 levels to 370 mmfbm, with the majority of the increase being driven by higher hemlock sales. Our hemlock sales increased, particularly in the commodity sector, as higher levels of housing activity drove more business for pressure treated lumber. We also continue to develop new markets in the industrial and civil construction sectors to take further advantage of our ability to make larger sizes with the strength properties inherent in our coastal species.

Our lumber shipments to the US were 16% higher in 2012, driven by stronger demand for WRC. New home construction starts in the US, while still below historic trend levels, accelerated in 2012. New home construction in the US grew by 28% in 2012 over 2011 levels, with the multifamily construction sector growing by 40%.

Lumber shipments to Japan for 2012 increased by 4% over 2011 levels to 185 mmfbm, primarily due to increased yellow cedar shipments. Average prices realized on these shipments were 5% higher in 2012. Rebuilding required as a result of the tsunami, which devastated Japan early in March 2011, has not yet had a significant impact on demand. Japanese demand was flat through the first three quarters of 2012, and began to trend up in the last quarter. Two factors increased the demand for Western’s lumber in Japan in the latter part of the year; housing demand has increased due to Japanese government stimulus programs and the start of the tsunami rebuild; and secondly, improved US markets has meant less lumber has been available for the export markets

Our direct lumber shipments to China decreased by 10% in 2012 to 182 mmfbm. However, this reduction is not indicative of reduced shipments to China in general since we are now selling more volume locally to take advantage of wholesale markets, which in turn is selling much of this on to China. However, the market growth in China did slow down, and much of this was attributable to the fact that the market had high log and lumber inventories at a time when the Chinese government was taking steps to slow down housing growth. Inventory levels were reduced by mid-year and market demand began to strengthen in the latter part of 2012, yielding higher price levels.

Log sales in 2012 increased by $14.7 million over 2011. The overall average price of logs sold in 2012 was marginally higher than in 2011. Domestic log prices were higher in 2012 compared to 2011 by 5%, on average, and overall log sales volumes were 8% higher in 2012 compared to 2011. However, market prices for pulplogs and export logs declined by 12% and 8%, respectively, from 2011 levels. Tempering the negative impact of these price declines has been a favourable change in sales mix, with relatively fewer pulplogs and more export logs sold this year.

Sales of by-products in 2012 were $54.7 million, or $6.3 million lower than in 2011. The majority of our by-products sales are comprised of chip sales, and in 2012 we sold 9% more volume compared to 2011. Despite increased sales volumes of by-products, revenue declined by 10% as a result of an 18% reduction in overall average prices in 2012 compared to 2011. In general, chip prices are tied by a formula to the market price of pulp, and for 2012 these prices were lower than 2011 (NBSK prices delivered to China were 23.5% higher in 2011 than in 2012). Western has various obligations under long-term chip supply contracts which require us to either purchase quantities of chips on the open market or use whole log chipping programs at certain of our sawmills or third party chipping facilities, if insufficient chips are produced from our own mills.

Total freight costs incurred in 2012 were $88.2 million which is $2.6 million less than those incurred for 2011. Log shipment freight costs were $3.6 million lower in 2012 compared to 2011 while lumber freight costs were $1.0 million higher. The log freight costs were reduced primarily because more log shipments were sold on a FOB basis in 2012. In the case of lumber, while shipment volumes for 2012 increased by 10% over 2011, freight costs increased by just $1.0 million, or 1%. The primary reason for this is that market conditions in 2012 led Western to pursue higher margin opportunities in local markets, which meant proportionately more of its lumber sales were shipped locally and less in overseas markets (China in particular), which have significantly higher freight rates. In 2012, 55% of our shipments were in North American markets compared to 47% in 2011. In addition, transportation management initiatives have helped to reduce costs in key markets by approximately $1.5 million in 2012.

EBITDA

EBITDA for 2012 was $50.6 million, which is a decline of $11.0 million from the $61.6 million achieved in 2011. Lumber production for 2012 was 8% higher than during 2011. Our sawmills operated at 84% of total capacity in 2012 compared to 83% of capacity in 2011. The increased production level was achieved with almost the same number of shifts being operated over the two years which reflects increased operating efficiencies at our mills as indicated by an 8% improvement in total board feet of lumber produced per shift.

With the increased growth in production, unavoidable fixed costs associated with curtailed activities for our logging and sawmill facilities that were directly expensed to the income statement in 2012 declined from $8.6 million in 2011 to $4.2 million in 2012.

Even though we continued to increase production and sales levels of both lumber and logs in 2012, our EBITDA declined mainly as a result of lower market prices for our pulplogs and export logs, lower by-product pricing, and higher log costs. Partially offsetting these negative variances was a favourable change in the sales mix of our logs as described above, higher domestic log sales prices, increased sawmill productivity, higher realized lumber prices, freight cost reductions, and lower fixed costs associated with less down time.

The total log harvest for 2012 was 6.1 million cubic meters, which was 5% higher than the 2011 harvest level of 5.8 million cubic meters. As we increased the harvest from all of our tenures, we increased our heli-logging harvest and incurred additional transportation costs. However, offsetting the higher logging costs was a higher value species mix of logs resulting from the increased heli-logging. The higher log costs also included more purchased logs and proportionately more of these purchases were higher cost cedar and hemlock sawlogs to supplement our sawmill demand. Finally, we incurred higher maintenance costs in our timberlands operations in 2012.

The impact of foreign currency had a slightly negative impact on our results for 2012 compared to 2011, mainly attributable to the strengthening Canadian dollar against the Japanese Yen.

Selling and administration expenses in 2012 were $29.0 million (2011 - $26.6 million). The $2.4 million increase is largely because of increases in employee related costs and contractor services. As a percentage of revenues our selling and administration costs were 3.1% for 2012, which is consistent with 2011.

Reversal of impairments

During 2012, Western recorded a reversal of previously recognized impairments of $12.9 million on its Crown timber tenures. This resulted from a value in use assessment performed in December 2012 on the carrying amount of the Crown tenures. The reversal was the result of increases to the net present values of projected cash flows generated from the tenures, primarily due to the beneficial impact of using a lower discount rate compared to that used in 2011.

Operating restructuring items

In 2012, Western recorded restructuring expenses of $4.8 million compared to an equivalent expense of $0.7 million in 2011. The majority of the expense in 2012 related to $4.0 million incurred to restructure harvesting operations in TFL44 in order to improve operating performance in the future. The balance of $0.8 million related to severance costs incurred with respect to departmental reorganizations. The restructuring charges in 2011 of $0.7 million primarily related to severance costs associated with restructuring of certain administrative functions.

Finance costs

Finance costs for 2012 of $5.0 million were $1.6 million less than the $6.6 million incurred in 2011. The decrease was primarily caused by lower average debt levels outstanding in 2012 compared to 2011, resulting from the proceeds of non-core asset sales and cash generated from operations being used to pay down debt in 2012. Also contributing to this reduction is the benefit of lower negotiated interest rates in our loan agreements.

Other income (expenses)

Other income of $2.8 million was reported in 2012 which is a net change of $5.6 million from the expense of $2.8 million incurred in 2011. The most significant items comprising other income of $2.8 million in 2012 were: net gains on non-core asset disposals in the year of $1.1 million; proceeds of $1.1 million received as final compensation from the Province of British Columbia resulting from the creation of new protective areas in our Haida Gwaii and Central Coast operating areas; $0.9 million received as reimbursement for engineering and other infrastructure costs associated with an area that was deleted from TFL 39 in order to provide the Sliammon First Nation with a Treaty related forest tenure opportunity; and $0.3 million related to other miscellaneous expenses.

Other expenses of $2.8 million in 2011 comprise: a gain on the sale of an equity interest in certain real estate properties of $2.4 million; an expense incurred of $2.5 million to secure amendments to the terms of certain contractual arrangements; and losses on non-core asset sales of $2.7 million. The most significant non-core asset sale in the year was the sale to TimberWest Forest Corp. of 7,678 hectares of land located in the southern portion of Vancouver Island near Jordan River for gross proceeds of $21.9 million.

Key events in 2012

In June 2012, Western announced an agreement to refinance its existing revolving term loan facility with improved terms. Under the terms of the refinanced revolving term loan agreement, availability on Western's existing $75.0 million revolving term loan was increased to $110.0 million. In addition, pricing for the revolving term loan improved, and the maturity of the facility is now June 29, 2016. At December 31, 2012, Western's total liquidity had increased to $185.1 million from $112.1 million at the end of 2011. The increase of $73.0 million was the result of increasing the revolving term facility from $75.0 million to $110.0 million, paying off debt from the proceeds of non-core asset sales, cash generated from operations, and increased availability in our secured revolving credit line.

Also in June 2012, Western sold Tree Farm Licence 60 ("TFL 60") and related assets on Haida Gwaii to Taan Forest Limited Partnership ("Taan"), a partnership of the Council of the Haida Nation and Haida Enterprise Corporation, the business arm of the Haida Nation. Under the terms of the sale, we received net proceeds of approximately $12.2 million. Cash of $10.2 million was received, and the remaining $2.0 million is in the form of a promissory note, payable within 24 months of closing. Western also retains a right of first refusal on a certain quantity of cedar logs harvested by Taan over the 24 months following closing. Taan has assumed substantially all of the obligations of Western on Haida Gwaii. As the average timber harvest from TFL 60 by Western over the past five years has been modest, the sale of this tenure will have minimal impact on the long-term operating rates at our eight lumber mills. Proceeds from the sale were used to pay down the Company's revolving term debt.

In December 2012, the Company and Brookfield Special Situations Management Limited ("BSSML") closed a bought deal secondary offering (the "Offering") through which BSSML sold 62,500,000 Non-Voting Shares of Western at an offering price of $1.20 per share for aggregate gross proceeds to BSSML of $75.0 million. On closing of the Offering, the shares were converted, on a one-for-one basis, into Common Shares of Western, representing approximately 33% of the then issued and outstanding Common Shares of Western on a non-diluted basis after giving effect to the Offering. Immediately following completion of the Offering, 59,612,801 of the remaining Non-Voting Shares held by BSSML were converted into Common Shares on a one-for-one basis. As at December 31, 2012, BSSML beneficially held 122,639,345 Common Shares, or 48.82% of the Company's 251,218,424 Common Shares, and 100% of the 216,833,059 Non-Voting Shares issued and outstanding. This represents the same percentages of Common Shares and Non-Voting Shares that BSSML held prior to the Offering.

In January 2013, Western announced that it had entered into a conditional agreement for the sale of its former Woodfibre Pulp Mill site for a gross purchase price of $25.5 million. The site, consisting of 212 acres of industrial waterfront land, is located at the head of Howe Sound, southwest of Squamish, British Columbia. Closing is subject to certain conditions, and Western will be responsible for satisfactorily remediation of the property to applicable environmental standards prior to closing the sale. After incurring the estimated required remediation costs, Western anticipates receiving net proceeds from the sale and remediation of approximately $17 million.

Outlook and Strategy

During 2012, Western continued to build its improved financial condition by increasing the cash flows provided from operations. We have further strengthened our balance sheet, and significantly improved our liquidity. Our long term strategic goals for the Company remain:

- Fully utilizing our annual allowable cut and ensuring the highest margin end use for our fibre resource;
- Operating all our mills at full capacity, realizing full economies of scale;
- Growing market share in traditional and developing export markets; and
- Generating substantial free cash flow that justifies re-investment and further growth.

North American lumber markets are clearly showing signs of recovery and moving from being a predominantly supply driven market to one that is more demand driven, which is leading to price increases, particularly in commodity lumber products. Overall, we see a positive outlook for the majority of our business, with the possible exception of pulplogs and residual markets. Our business strategy continues to focus on growing our four key lumber market segments: Japan, WRC, Commodity, and Niche.

Japan is expected to increase its demand for wood products as housing starts are projected to rise as government stimulus and the Tsunami rebuild effort picks up pace. Additionally, the increased demand for wood products within the US will result in fewer log and lumber exports being available from the US to Japan. Western's sales to Japan are expected to grow in 2013, with the majority of the increase coming in yellow cedar sales.

Western continues to be the largest producer of WRC in the world, and is expanding its share of the US market. Demand for WRC in 2012 was better than expected, and with limited supply available, price levels increased. The outlook for 2013 remains similar to 2012 with supply growth being less than expected demand. Improving US new home construction and increasing levels of US home renovation support the increased demand for WRC in 2013. Cedar pricing remained uncharacteristically strong through the end of 2012 and prices for 2013 are projected to increase through the peak demand season in the first half of the year.

The unseasonal run-up in North American Commodity pricing in the last quarter of the year (as seen by the 12% increase in the benchmark kiln-dried SPF price in the fourth quarter) has impacted all commodity pricing, regardless of market destination. Western continues to use its market flexibility with respect to its commodity market segment, by increasing sales into a strong North American market. The US housing market has clearly regained its footing, although it is still at just half of trend levels. New housing starts were approximately 780,000 in 2012, an increase of 28% over the 2011 level. Conditions in the housing construction market have clearly improved and forecasters indicate a further 24% increase in 2013 to just under a million starts. The slowdown in the China market at the beginning of 2012 reversed in the third quarter and demand has steadily improved. We will continue to maintain our focus on margin for commodities, by shifting product and market mix to maximize margin.

Sales in the Niche market segment are forecast to remain stable in 2013, as the two main markets for these products, Europe and North America, remain challenging. The North American market for higher grade Douglas fir and hemlock products used in appearance applications has not seen the same recovery as in the general US housing market. The outlook for Europe, a high value market for Western, appears to be little changed from 2012, with recession concerns still an issue.

We continue to position ourselves for an improving housing market by investing $125 million of strategic capital into the Company. The strategic capital plan supports our growth strategy, further enhancing our margins through improved efficiencies and product grades ensuring our continued competitiveness in the global lumber markets. We expect that the strategic capital program will be funded by cash generated from operations. The capital can be broken down into three areas:

- Significant rebuilds in our small log mills implementing state-of-the-art breakdown, edging and sorting equipment to improve operating metrics and drive down costs;
- Installation of technology such as automated grading that was not available until recently for our specialty product lines; and
- Replacement and additions of key equipment in our large log mills to improve quality, recovery and product flexibility.

Our first project is the $38 million upgrade of our Saltair sawmill which is designed to improve the mill productivity by 15% and to improve our competitiveness in key markets such as Japan, the United States and China. This first phase includes a full upgrade to the edgers, trimmer, sorter and stacker for the mill and will be complete at the end of the second quarter of 2013.

Our second project, an automated lumber grading project being installed at our Alberni Pacific sawmill is under development and will yield benefits later in 2013.

The remaining strategic capital investments, which will occur over the next two to three years, will be focused on reducing costs by improving efficiencies and product flexibility in our operations. These improvements will allow us to continue operating through varying market conditions. Such investments are expected to be funded from operating free cash flows.

Complementing our strategic capital investment program is our non-capital margin improvement program. This program is targeted to deliver an additional $25 million in margin enhancements over the next three years through a variety of cost reduction and productivity initiatives across the organization. We have achieved approximately $8 million of these benefits by the end of 2012, with the majority relating to manufacturing throughput improvements, logistics enhancements, and procurement initiatives.

The Company's Annual Financial Statements and Management's Discussion and Analysis for 2012 containing discussion and analysis for the fourth quarter and full year as well as the Annual Information Form are 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, misjudgements 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 2012 Annual Report dated February 21, 2013. 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.

Reference is made in this report to EBITDA which is defined as operating income prior to operating restructuring items and other expenses plus amortization of property, plant, equipment, and intangible assets, impairment adjustments, and changes in fair value of biological assets. Western uses EBITDA as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider EBITDA to be a meaningful supplement to operating income as a performance measure primarily because amortization expense, impairment adjustments and changes in the fair value of biological assets are non-cash costs, and vary widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of their operating facilities. Further, the inclusion of operating restructuring items which are unpredictable in nature and timing may make comparisons of our operating results between periods more difficult. We also believe EBITDA is commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

EBITDA does not represent cash generated from operations as defined by IFRSs 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. EBITDA is not a measure of financial performance under IFRSs, and should not be considered as an alternative to measures of performance under IFRSs. 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. A reconciliation between the Company's net income as reported in accordance with IFRSs and EBITDA is included in Appendix A to the Company's Management's Discussion & Analysis for the year ended December 31, 2012, which is available under the Company's profile on SEDAR at www.sedar.com.

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 6.4 million cubic metres of timber of which approximately 6.2 million cubic metres is from Crown lands and lumber capacity in excess of 1.1 billion board feet from eight sawmills and three 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.

TELECONFERENCE CALL NOTIFICATION:

Friday, February 22, 2013 at 10:00 a.m. PST/1:00 p.m. EST

On Friday, February 22, 2013, Western Forest Products Inc. will host a teleconference call at 10:00 a.m. PST (1:00 p.m. EST). To participate in the teleconference please dial 416-340-8527 or 877-240-9772. This call will be taped, available one hour after the teleconference, and on replay until March 24, 2013. To hear a complete replay, please call 905-694-9451 / 800-408-3053 Passcode 8723585.

Contacts:
For further information, please contact:

Dominic Gammiero (250) 734-4711
Chairman

Brian Cairo (250) 734-4710
CFO and Corporate Secretary

February 21, 2013

To our Shareholders,

A strong operating performance and improved lumber markets allowed Western to deliver the highest sales in Company history. Log and lumber sales increased as we continued to profitably grow our business to meet market demand. We delivered $50.6 million of EBITDA and continued to make significant improvements to our balance sheet. Our net debt is now at an all-time low of $15.0 million and our liquidity improved to $185.1 million by year end, ensuring we are well positioned to continue to reinvest in our business and consider other capital allocation alternatives to enhance long term value for shareholders.

2012 financial highlights are as follows:

- EBITDA for the year was $50.6 million
- Net debt decreased to $15.0 million, a record low for Western
- Year-end liquidity improved by $73.0 million to $185.1 million
- Sales were $925.4 million, the highest in Western's history

The year resulted in several operational achievements as we continue to grow the business:

- Medical Incident Rate improved by 11%, as we ended the year below 2.0
- Our margin improvement program gained traction and delivered $8 million
- Log sales increased by 6%
- Lumber sales increased by 11%
- Manufacturing mill productivity per shift improved 8%

We are pleased to announce the appointment Don Demens as President and Chief Executive Officer of the Company, effective immediately. Don was instrumental in helping us turn around the business and his knowledge of our industry has been critical in defining our long-term strategy at Western. The Board is confident his leadership will continue to strengthen Western's position as a globally competitive forest products business.

Our outlook for lumber is positive as we transition from a supply-driven market to a demand-driven market. We are seeing improvements in global lumber markets, prompted by a substantial improvement in the U.S. housing market. Housing starts increased by 27% in 2012 and are forecast to grow by an additional 25% in 2013. As the U.S. attracts more supply to meet this growing demand, lumber pricing becomes more competitive. This is an excellent opportunity for Western.

Japanese lumber demand has improved, supported by government stimulus and what appears to be the beginning of the tsunami rebuild. With improved demand at home, U.S. exporters are offering fewer logs and less lumber to the Japanese market. This trend is providing an opportunity for Western to increase exports of many of our high-quality, high-value lumber products.

China's demand for logs and lumber products rebounded in late 2012 after excess inventories were eliminated. The Chinese government has reaffirmed its commitment to a large-scale housing program that will support a continued demand for lumber. China will have to compete globally for log and lumber supply, providing opportunities for Western's products.

Western's business plan for 2013 is focused on increasing lumber production to meet rising demand. The improved log and lumber markets are creating an opportunity for Western to increase margins as we utilize fully our flexible manufacturing base to refine our product mix between markets and product lines.

Investing in our manufacturing base enhances our ability to meet market demand with improved margins. We expect to see the first benefits of our capital plan in the first quarter of 2013 as the first phase of the Saltair upgrade nears completion. In addition, we are making progress on the development of auto-grading equipment for coastal species which, once developed, will be the first installation of its kind on the coast of B.C. We will be bringing forward additional capital investment projects in coming months.

Our balance sheet improved significantly in 2012. We refinanced our debt and made progress on selling non-core assets. This positioned us to continue to pursue our strategic capital plan while considering other options to maximize shareholder value.

Investments in safety and training are also key components of our plan. Our safety performance has improved, led by our manufacturing group, which finished the year with the best safety results in company history, but more work needs to be done. We launched two new training programs - Logger and Faller Training - to enhance safe work practices for employees joining the B.C. coastal forest industry. We also made steady progress improving the safety in our timberlands operations.

We look forward to improved financial results in 2013 as lumber markets improve world-wide. We continue to build our business based on the positive contributions of the Western team. Our balance sheet is strong, our capital investments are becoming operational and we have done all this while improving our safety performance.

I would like to take the opportunity to thank our shareholders, employees and communities for their continued support of Western Forest Products.

Dominic Gammiero
Chairman

Lee Doney
Vice Chairman