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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Capitalized on Strong Markets to Deliver the Highest Quarterly EBITDA in Company History

May 7, 2013 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the first quarter of 2013. The Company reported EBITDA of $31.9 million for the first quarter of 2013 compared to EBITDA of $14.3 million for the fourth quarter of 2012 and $9.4 million for the first quarter of 2012.

Q1 2013 HIGHLIGHTS

- EBITDA of $31.9 million, an increase of $22.5 million over the first quarter 2012 result
- Capitalized on improved markets by focusing production on higher margin segments
- Mill productivity levels increased 5% over the first quarter of 2012
- Zero net debt at March 31, 2013
- Liquidity at March 31, 2013 improved to $207 million
- $38 million capital project at Saltair sawmill is on schedule

"This was the best quarter in company history as we delivered $31.9 million of operating EBITDA. Improved log and lumber markets supported by solid execution from our team led to these record results. We ended the quarter in a sound financial position: no net debt and liquidity of $207 million. With our strong balance sheet we are more capable than ever to reinvest in our business, and consider other capital allocation alternatives that will enhance long term shareholder value" said Don Demens, Chief Executive Officer.

Net income for the first quarter of 2013 was $22.8 million ($0.05 per share), on sales of $233.8 million, which compared to a net income reported in the first quarter of 2012 of $1.7 million ($nil per share) and a net income reported for the fourth quarter of 2012 of $14.3 million ($0.03 per share).

FINANCIAL SUMMARY

(millions of dollars except where noted)		Three months ended March 31, 2013		2012 Restated[1]
Sales	$	233.8	$	223.4
EBITDA		31.9		9.4
EBITDA as % of revenues		13.6%		4.2%
Operating income before restructuring items and other income		24.6		2.5
Net income from continuing operations		23.1		1.9
Net income for the period		22.8		1.7
Basic and diluted earnings per share (in dollars)	$	0.05	$	-
Net Debt at March 31,		-		48.4
Liquidity at March 31,		207.0		114.9

[1] Restated to reflect implementation of revised IAS 19 *Employee Benefits* as described below in Adoption of New Accounting Policy.

First Quarter 2013

Overview

Our first quarter 2013 EBITDA of $31.9 million represents a $22.5 million improvement over the same period last year, and a $17.6 million increase from the previous quarter. Our EBITDA margins increased to 13.6% from 4.2% a year ago, and from 6.2% in the fourth quarter of 2012. The improvement in financial results was largely driven by lumber and log price increases, and good execution on the part of our operations.

The United States ("US") housing recovery continues to gain momentum, increasing the demand and price for lumber products. Benchmark KD SPF 2x4 commodity lumber prices for the first quarter of 2013 increased by 47% over the same quarter last year and by 17% over the fourth quarter 2012. Housing starts in the US in March 2013 climbed 7% to a 1.04 million annual rate, the most since June 2008, but still below historical levels. These improvements in the US lumber market are having a positive impact on offshore lumber prices in markets where we ship our product. Demand for lumber in both China and Japan has strengthened in the first quarter of 2013.

Log markets have also shown increased demand, with prices for logs with certain qualities increasing over the same period last year. In particular, prices for domestic peeler and shingle logs and also export logs have been stronger compared to the first quarter of 2012. In anticipation of stronger log markets, our operations group executed well on their plans to move volume quickly through our supply chain, delivering a higher value log mix to external markets, and at the same time supplying logs to our mills to maintain production levels.

During the quarter, revenues were $233.8 million, an increase of 5% over the first quarter of 2012. Net income for the first quarter of 2013 was $22.8 million, an increase of $21.1 million from net income of $1.7 million reported for the first quarter of 2012, and is also an increase from our net income of $14.3 million reported in the previous quarter. The increase in net income is principally because of the higher EBITDA generated in the current quarter.

Our liquidity position at March 31, 2013 increased to $207.0 million from $185.1 million at the end of the previous quarter, and from $114.9 million at March 31, 2012.

Our strategic capital plan continues to progress well. To date we have spent $11.3 million of the projected total cost of $38.0 million for the Saltair mill upgrade, which is expected to be approximately 60% complete in the third quarter of 2013. This capital project will make Saltair the largest, most efficient single line sawmill on the coast of British Columbia. The upgrades will increase production by approximately 15%, reduce the unit cost of production, and will increase our ability to provide a greater variety of finished products to our customers.

Our second project is the development and subsequent installation of automated coastal species lumber grading technology. We expect this project to be ready in the third quarter and the initial installation will be in our Alberni Pacific sawmill, which will yield benefits later in 2013. The technology will allow us to better tailor lumber grades to our customer needs and generally improve processing efficiency. We believe this will be the first application of this technology, now in common use in the British Columbia interior mills, on the more challenging coastal species.

On January 28, 2013, we announced that we had entered into a conditional agreement for the sale of our former Woodfibre Pulp Mill site located near Squamish, British Columbia for the gross purchase price of $25.5 million. Closing is subject to certain conditions, and Western will be responsible for satisfactorily remediating 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. Work is currently in progress by our environmental engineers to prepare a detailed assessment of the remediation costs associated with the site. We expect to have the results of this assessment in the third quarter of 2013. We will continue to pursue further opportunities that may arise to sell non-core or other land assets as appropriate.

Revenues

Lumber sales revenues in the first quarter of 2013 were the same as in the first quarter of 2012. However, we sold 214 million board feet, or approximately 3% less volume this quarter, but achieved 3% higher average prices on the volume sold. Prices increased in the current quarter with commodity lumber and western red cedar ("WRC"), in particular, showing improvements compared to the first quarter of 2012.

Log sales revenues in the first quarter of 2013 increased by 22% compared to the same quarter last year. The increase is due to a combination of both favourable log selling prices and the mix of logs that we sold. Our overall average log price was 24% higher than in the first quarter of 2012 as prices for domestic peeler and shingle logs and export logs were all higher in the current quarter compared to the same quarter in 2012, and also because we sold proportionately more of the higher priced peeler and shingle logs.

By-product revenues decreased by $0.7 million in the current quarter compared to the first quarter of 2012. The decrease is primarily the result of a 6% decline in chip volumes sold quarter over quarter, as overall prices received for chips sold were close to those in the first quarter of 2012. Our mills produced more chips in the current quarter compared to the first quarter of 2012 as they were operating at higher rates, but we both purchased and custom chipped lower volumes of chips this quarter, leading to the lower sales volumes.

EBITDA

EBITDA of $31.9 million reported for the first quarter of 2013, compares to EBITDA reported in the same quarter last year of $9.4 million and to $14.3 million in the fourth quarter of 2012. The significantly improved EBITDA result for the first quarter of 2013 primarily reflects improved market conditions and the resulting higher prices for our products, combined with reduced costs in our timberland operations compared to the first quarter of 2012. Also contributing to the improved EBITDA in the current quarter were lower freight costs and reduced export taxes. Partially offsetting these positives has been the relative impact of foreign exchange, particularly the weakening of the Japanese yen, and higher selling and administration costs.

Log production levels in the first quarter of 2013 were close to those in the same quarter a year ago, and marginally less than in the fourth quarter 2012. Logging costs improved in the current quarter compared to the first quarter of 2012 by approximately $3 per cubic metre harvested as a result of operating proportionately less in higher cost logging areas. In addition, we benefited from the effects of more temperate weather this year, and incurred lower spur road construction and maintenance costs.

Lumber primary mill production was 190.3 million board feet in the first quarter of 2013, marginally less than the production in the first quarter of 2012. We continue to face the challenge of a very tight fibre supply situation on the coast and addressed it in the quarter by running a broadened mix of species and quality of logs through our primary mills. As a result, the primary mills ran at capacity (on a shifts available basis) in the first quarter of this year. Productivity, as measured on a production volume per shift basis, was 5% higher in the current quarter compared to the same quarter in 2012. While we increased production volumes compared to the first quarter of 2012, our recoveries were lower as a result of the mix of fibre processed.

Our operating results were positively impacted by an approximate 2% weakening in the value of the Canadian dollar relative to the US dollar from the first quarter of 2012, which increased our Canadian dollar proceeds received on US dollar denominated sales (the major share of our lumber sales are denominated in US dollars, including those to China). However, the Japanese Yen weakened significantly against the Canadian dollar in the current quarter, falling by almost 15% compared to the first quarter of 2012, and had a negative effect on our results. Western mitigates its foreign exchange risk associated with sales transactions denominated in US dollars and Japanese Yen by utilizing forward currency transactions. At the end of the first quarter of 2012 we had significantly more Yen forward contracts outstanding compared to March 31, 2013.

No export taxes were incurred in the first quarter of 2013 compared to taxes of $2.0 million expensed in the same quarter in 2012. This change is a reflection of the increase in lumber prices this year. Under the Softwood Lumber Agreement with the US, the export tax rate is zero when the random lengths framing lumber composite index exceeds US$ 355 per thousand board feet.

Total freight costs were $19.4 million in the first quarter of 2013, compared to the first quarter of 2012 costs of $23.1 million. The reduction is because of reduced freight rates (a more favourable service agreement that combines both China and Japan shipments was introduced), a lower percentage of shipments to overseas customers (40% compared to 47% in 2012) and slightly lower shipment volumes.

Selling and administration costs increased from $7.7 million in the first quarter of 2012 to $8.0 million in the first quarter of 2013 primarily as a result of increases in stock option costs, legal fees and pension costs.

Non-operating income and costs

Finance costs decreased from $1.6 million in the first quarter of 2012 to $1.2 million in the current quarter. This decrease is primarily attributable to a reduction in the outstanding debt amount over the respective periods. In the twelve months to March 31, 2013 we have reduced debt by $53.3 million primarily from cash generated from operations.

Other income of $0.1 million for the first quarter of 2013 compares to other income of $1.0 million in the first quarter of 2012. Other income from the first quarter 2012 includes net gains on asset disposals of $1.1 million.

Adoption of New Accounting Policy

IAS 19 *Employee Benefits* (revised 2011) (IAS 19R) comprises a number of amendments to the accounting for defined benefit plans, including a change to the basis for determining the income or expense related to defined benefit plans. As a result of the change, the Company now determines the net interest expense (income) for the period on the net defined benefit obligation by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability at the beginning of the annual period. It takes into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Consequently, the net interest on the net defined benefit liability now comprises:

- interest cost on the defined benefit obligation; and
- interest income on plan assets.

Previously, the Company determined interest income on plan assets based on their long-term rate of expected return on plan assets. The effect of adoption on the first quarter 2012 was a reduction to net income of $0.2 million. This comprised an increase to finance charges of $0.3 million and a decrease to selling and administration costs of $0.1 million. There was a corresponding reduction in the defined benefit plan actuarial losses recognized in other comprehensive income of $0.2 million for the quarter ending March 31, 2012. The revision had no impact on net assets at March 31, 2012 or December 31, 2012. The impact on earnings per share for the quarter ending March 31, 2012 was not material. The impact of adopting IAS 19R is more fully explained in Notes 3 and 14 in its First Quarter 2013 Financial Statements.

Markets and Outlook

During the first quarter of 2013, Western continued to improve its product margins by directing our fibre resource towards the highest margin end use and maximizing the utilization of manufacturing assets. Coupled with strong log and lumber markets, the Company expects to generate strong free cash flow over the next several quarters. With no debt as at the date of this report, we are now well positioned to reinvest in the business and consider other capital allocation alternatives to enhance long term value for our shareholders. Our business strategy continues to focus on growing our four key lumber market segments: WRC, Japan, Niche and Commodity.

Demand for WRC continues to grow with improving US new home construction and increasing levels of US home renovations. Higher cedar log prices and good harvesting weather in the first quarter of 2013 has increased log supply, but continued strength of cedar prices suggest that supply growth hasn't exceeded demand growth. As we enter the peak season for WRC demand we anticipate prices to continue to improve from first quarter 2013 levels.

As forecast in our year-end report, lumber demand is increasing in Japan. February 2013 year-to-date housing starts are up 4% compared to 2012. As expected, the increased demand for wood products within the US has resulted in fewer log and lumber exports being available from the US to Japan and, as a result, lumber imports to Japan from the US declined 5% and log imports fell 3% in the first quarter of 2013 compared to a year ago. As a result we expect to see increased demand for our log and lumber products in Japan over the balance of the year.

Sales in the Niche market segment have been relatively stable so far in 2013. However our product and market mix is beginning to change to reflect market conditions. 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. As a result, we have converted some of these logs into other products and markets at higher margins. We are seeing increased demand for Industrial products like timbers, rail ties and cross arms which is translating into higher pricing. The outlook for Europe, a high value market for Western, appears to be little changed from 2012, with recession concerns still an issue there.

The strengthening of North American Commodity pricing in the last quarter of 2012 and into the first quarter of 2013 has positively impacted all commodity pricing, regardless of market destination. Western continues to use its market flexibility to increase its exposure to the improving North American market. The US housing market has clearly regained its footing, although housing starts are still well below trend levels. Forecasters continue to adjust their housing start projections for 2013 upwards and, on average, are now predicting more than one million starts in 2013. Demand in the first quarter 2013 from China was strong for Western, reflected by increasing price levels. Recent concerns have surfaced that log inventories in China may be growing, suggesting a possible adjustment to lumber prices. We will continue to maintain our focus on margin for commodities, by shifting product and market mix to maximize margin.

In support of our growth strategy, we continue to position ourselves for the improving housing market by investing in capital projects to further enhance 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.

To the end of the first quarter of 2013 our non-capital margin improvement program has contributed $13.5 million in margin enhancements since the inception of the program. We are targeting a total of $25 million in such enhancements over a three year period. To date the majority of the benefits derived relate to manufacturing throughput improvements, and timberlands, logistics, and procurement initiatives.

Pursuant to the conditional agreement for sale of our former Woodfibre Pulp Mill site located near Squamish, British Columbia, work is currently in progress by our environmental engineers to prepare a detailed assessment of the remediation costs associated with the site. We expect to have the results of this assessment in the third quarter of 2013. We will continue to pursue other opportunities that may arise to sell non-core or other land assets as appropriate.

The Company's Q1 2013 news release, management's discussion and analysis, unaudited condensed interim financial statements and notes to the financial statements have been filed on SEDAR and are also available on 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 income (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 quarter ended March 31, 2013, 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:
Thursday, May 9, 2013 at 10:00 a.m. PST/1:00 p.m. EST

On Thursday, May 9, 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 May 16, 2013. To hear a complete replay, please call 905-694-9451 / 800-408-3053 Passcode 1859650.

Contacts:
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Don Demens (604) 899-3754
CEO

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

May 7, 2013

Letter to Shareholders

Dear Shareholders,

Western capitalized on strong lumber and log markets to deliver the highest quarterly EBITDA in Company history.

In the first quarter of 2013, Western Forest Products delivered a record $31.9 million of operating EBITDA. Improved log and lumber markets supported by good execution from our team overcame the challenges of a tight coastal log market and led to these record results. We ended the quarter in a sound financial position: zero net debt and available liquidity of $207 million. With our solid balance sheet and improving markets for our products we are more capable than ever to consider other capital allocation alternatives to drive long-term shareholder value while continuing to strategically reinvest in our business.

First quarter 2013 financial highlights are as follows:

- EBITDA for the quarter was $31.9 million, an increase of $22.5 million over the first quarter of 2012.
- Zero net debt.
- Liquidity as of March 31, 2013 improved to $207 million.

We achieved the following operational successes:

- Capitalized on improved markets by focusing production on higher margin segments.
- Margin improvement program delivered an additional $5 million in the quarter.
- Mill productivity levels increased 5% over the first quarter of 2012.

The US housing recovery is accelerating, driving the demand for lumber. Demand for our commodity and Cedar products is expected to be strong in the second quarter of 2013 as we move into the prime building season in North America.

Japanese lumber demand has improved as well, with housing starts up 4% in the quarter, supported by government initiatives and the beginning of the Tsunami reconstruction. As expected, the increased demand for wood products within the US has resulted in fewer log and lumber shipments moving from the US to Japan. This has created an opportunity for Western to expand our market share in Japan.

Demand for log and lumber products in China was strong in the first quarter of 2013. We remain positive about the Chinese market as China is competing for global log and lumber supply, which is providing solid margin opportunities for Western's products.

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Western's business plan for 2013 is focused on increasing production to meet rising demand. Improved demand for lumber products will allow us to fully utilize our flexible manufacturing platform to refine our product and market mix to maximize margins.

Investing in our manufacturing base. Implementation of our strategic capital plan continues to progress well. To date we have invested $11.3 million of the projected total cost of $38 million for the Saltair mill upgrade. The first phase of the project will be completed in the third quarter of 2013 and will deliver benefits immediately. The total project will be completed in the first quarter of 2014. The upgrades will increase production, reduce unit costs and enhance our ability to provide a greater variety of finished products for our customers.

In addition to our Saltair project, we have been collaborating with a leading equipment provider over the last year to develop auto grading technology for coastal species. The first auto grader will be installed at our Alberni Pacific operation late in the third quarter and we expect to roll out additional installations of this breakthrough technology.

We are pleased to announce the appointment of John Mann as Vice President of Timberlands. John has extensive leadership experience in timberlands at senior levels on the BC Coast. His immediate priorities will include delivering improved safety results in our timberlands and contract operations as well as driving operational efficiencies with a focus on margin.

We are also pleased to announce the promotion of Tony Peiffer to Vice President, Log Sales and Marketing. Since joining Western in 2012 Tony has demonstrated a solid ability to drive positive financial results and advance our business strategy. In his new leadership role, he will be responsible for working with our timberlands group to maximize the margin from every log we process.

Safety and training. We are committed to providing the resources and training necessary to identify and manage hazards in the workplace. Our relentless focus on education and awareness is yielding positive results and we are seeing the benefits of our safety programs and initiatives reflected in a reduction in workplace incidents. We will continue to work diligently to foster a culture of safety in order to achieve our goal of making Western a zero incident workplace.

Our commitment to continuous improvement is netting some exciting results and enabling us to build upon the hard-earned momentum we have created in the marketplace. I would like to take this opportunity to thank our employees, shareholders and the communities in which we operate for their continued support of our business.

Don Demens
President and CEO