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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Announces Third Quarter 2017 Results

November 2, 2017 – Vancouver, British Columbia – Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") reported adjusted EBITDA of $32.6 million in the third quarter of 2017, compared to adjusted EBITDA of $35.7 million in the third quarter of 2016, and $47.1 million reported in the second quarter of 2017. Hot, dry weather lowered log harvest and reduced Western's third quarter log and lumber sales volumes. The Company mitigated US lumber duties and capitalized on improved market demand and pricing by increasing lumber sales to China.

Net income of $13.6 million ($0.04 per diluted share) was reported for the third quarter of 2017, as compared to $16.8 million ($0.04 per diluted share) for the third quarter of 2016 and $25.6 million ($0.06 per diluted share) in the previous quarter. Adjusted EBITDA and net income were reduced by $6.5 million of export duties expensed in the third quarter of 2017.

Q3 2017 HIGHLIGHTS

- Delivered adjusted EBITDA of $32.6 million notwithstanding coastal log supply challenges
- Reduced log sorting costs by implementing a simplified log sorting margin improvement initiative
- Installed auto grader technology at the modernized Duke Point planer facility
- Returned $7.9 million to shareholders via the Company's quarterly dividend
- Increased cash balance to $65.2 million and grew liquidity to $299.2 million

The Company realized revenue of $285.2 million in the third quarter of 2017, as compared to $322.7 million in the third quarter of 2016, and $287.4 million in the second quarter of 2017. Supply challenges and strong demand delivered robust log and lumber pricing that partly offset the impacts of limited coastal log supply on results in the period.

"We managed the impacts of reduced log supply by consuming more logs internally in our mills. The optimization of our log supply chain has allowed us to operate at reduced log inventories and has delivered early stage cost reductions," said Don Demens, President and Chief Executive Officer. "We remain encouraged by the strong market demand for our products and improved pricing environment despite the uncertainties caused by the US trade action."

On November 2, 2017, the US Department of Commerce announced final determinations in its countervailing duty and anti-dumping duty investigations. Those determinations included a reduction in duty rates applicable to the Company's shipments of lumber from Canada to the US, from 19.88% to 14.25% for countervailing duty and 6.87% to 6.58% for anti-dumping duty. The US Department of Commerce also concluded that critical circumstance did not exist for countervailing duties, but did exist for anti-dumping duties.

FINANCIAL SUMMARY

(millions of dollars except per share amount and where otherwise noted)	Three months ended September 30, 2017	Three months ended September 30, 2016	As at and for the nine months ended September 30, 2017	As at and for the nine months ended September 30, 2016
Revenue	$ 285.2	$ 322.7	$ 860.3	$ 894.3
Adjusted EBITDA	32.6	35.7	113.7	114.4
Adjusted EBITDA margin	11.4%	11.1%	13.2%	12.8%
Operating income prior to restructuring items and other income	25.1	26.2	86.7	86.2
Net income for the period	13.6	16.8	55.4	57.9
Basic and diluted earnings per share (in dollars)	$ 0.04	$ 0.04	$ 0.14	$ 0.15
Net Debt at September 30,			-	39.8
Liquidity at September 30,			299.2	193.7

Third Quarter 2017

Record dry conditions on the coast of British Columbia ("BC") disrupted third quarter harvesting operations and limited log availability. We generated $32.6 million of adjusted EBITDA in the third quarter of 2017 despite reduced log availability which impacted log and lumber sales volumes. Our operating income prior to restructuring items and other income was $25.1 million, compared to $26.2 million in the same period last year. Operating income and adjusted EBITDA were reduced by $6.5 million of US duties and a stronger Canadian dollar ("CAD"), which was 4% higher on average against the United States dollar ("USD").

Lumber revenue was $212.5 million, a decrease of 10% from the third quarter of 2016. Price realizations increased 3% from the same period last year as higher market pricing was offset by a weaker sales mix, lower sales volume, the impact of lumber duties and a stronger CAD. Limited log availability, particularly for higher grade cedar logs, negatively impacted our mix of production and reduced our specialty lumber sales mix to 51% from 57% in the third quarter of 2016. We grew shipments to China to capitalize on strong market demand and pricing, and to mitigate the impact of US duties. Overall lumber sales volume decreased by 13%, despite supplementing shipments with a 21 million board foot drawdown of inventory.

Third quarter log revenue was $55.5 million in 2017, a decrease of $14.5 million from the same period last year as higher pricing was more than offset by a 43% reduction in shipments. The reduction in log shipments resulted from lower log availability due to difficult harvest conditions, prioritizing internal consumption, and an opening log inventory that was 41% lower than the comparative period.

By-products revenue was $17.2 million in the third quarter of 2017, as compared to $17.1 million in the same period in 2016. Chip price realizations grew 9% which offset reduced shipments resulting from lower production.

Lumber production was 201 million board feet, down from 248 million board feet in the third quarter of 2016 as log availability limited lumber production. A constrained log supply resulted in downtime or reduced operating hours at our Saltair, Ladysmith and Alberni Pacific sawmills, and our Somass sawmill was indefinitely curtailed.

Third quarter log production was 911,000 cubic metres, 21% lower than the same period last year. Record dry conditions on the coast of BC compounded normal seasonal third quarter harvest challenges. Our helicopter logging production declined by 28% as contractor aircraft, which typically harvest higher value logs, were seconded to the provincial government to assist with forest fires in the BC Interior.

In addition to weather challenges, our log production volume and per unit harvest costs continued to be impacted by reduced operations due to the Englewood train accident, that occurred in April 2017, and a gradual start-up in our Alberni forest operations. Alberni start-up costs incurred in the third quarter included $1.8 million in road construction expenses to access timber for future harvesting.

We supplemented our internal log supply with sawlog purchases of 327,000 cubic metres, a decrease from 415,000 cubic metres purchased in the same quarter last year. Domestic log supply was limited by challenging seasonal harvest conditions.

Freight expense increased by $1.2 million as compared to the third quarter of 2016, due to increased China lumber sales volumes. As previously noted, we continue to capitalize on a growing market and mitigate US duties by increasing lumber sales to China. Lower log sales volume and the positive impacts of a stronger CAD on freight rates largely offset higher costs associated with lumber shipments to China.

Third quarter selling and administration expense increased to $8.6 million in 2017 from $6.5 million in the same period last year. A significant increase in the Company's common share price resulted in an incremental $0.7 million mark-to-market adjustment on the Company's outstanding share units. The Company's common share price appreciated by 14%, as compared to 6% in the same period last year. We incurred incremental costs of $0.6 million in the third quarter relating to Information Technology ("IT") system and related process improvements, including training and other initiatives in support of recently completed implementations of sales, inventory and payroll systems. We have also realized an increase in selling expense from growing our China sales volumes.

Net income for the third quarter of 2017 was $13.6 million, as compared to $16.8 million for the same period of 2016. Improved operating margins and lower finance costs were more than offset by the after-tax impacts of operating restructuring items.

Year to Date, September 30, 2017

Adjusted EBITDA was $113.7 million for the first nine months of 2017, as compared to $114.4 million for the same period in 2016. Rising log and lumber pricing period-over-period was largely offset by the effects of constrained log supply and the imposition of US duties in 2017.

Lumber revenue of $650.9 million in the first nine months of 2017 decreased 2% from the same period in 2016, while lumber shipments declined by 9%. Selling targeted products to selected customers has partly mitigated the impacts of a constrained log supply and weaker specialty product mix.

Log revenue decreased by 12% in the first three quarters of 2017 to $158.2 million. Sales volumes have decreased as a result of reduced harvest volume and the continued prioritization of internal log consumption over external sales. A decline in log sales volumes of 27% was partly offset by improved log pricing.

Lumber production in the first nine months of 2017 was 622 million board feet, down from 701 million board feet in the same period of 2016. Constrained log supply impacted production, resulting in downtime and reduced operating hours at several of our operations, and contributed to the indefinite curtailment of our Somass sawmill. We utilized our modernized Duke Point sawmill to reduce our external custom cut production, partly offsetting the impact of limited log availability on our per unit manufacturing cost.

Coastal log production in 2017 has been significantly impacted by poor weather. Prolonged winter conditions in the first half of 2017, followed by hot, dry conditions in the third quarter, limited our timberlands harvest and reduced market log availability. Limited helicopter availability during fire season, the aforementioned train accident, and contractor challenges in our Port Alberni operation have also caused temporary reductions in production. Timberlands log production was 2,909,000 cubic metres for the first nine months of 2017, a decrease of 17% from the same period of 2016, while total coastal log production fell by 13% as reported by the Province of BC's Harvest Billing System. Lower timberlands production volume and a stumpage rate increase which became effective March 1, 2016, contributed to a 5% increase in log production costs period over period.

Selling and administration expenses in the first nine months of 2017 increased to $25.4 million from $20.8 million in the same period of 2016. Appreciation of the Company's common share price as well as a greater outstanding share unit balance resulted in a relative increase of $2.2 million in share-based compensation expenses, including mark-to-market adjustments, over those periods. Also reflected in 2017 are increased IT costs related to significant system infrastructure and related process improvements.

Other Income (Expense)

On August 18, 2017, the Company completed the sale of its South Island Remanufacturing plant for a gross purchase price of $3.2 million and recognized a gain of $1.6 million in other income for the quarter ended September 30, 2017.

Also included in other income for the quarter are $0.4 million in non-operating expenses relating to the train accident in our Englewood forest operations, and other expenses of $0.8 million.

Other Restructuring Items

On July 27, 2017, we announced the indefinite curtailment of our Somass sawmill, located in Port Alberni, BC. The Somass sawmill was temporarily curtailed in February 2017, prior to which it was operating on a single shift basis. Included in operating restructuring items for the quarter ended September 30, 2017, is voluntary severance related to the Somass curtailment of $6.2 million. Also included in operating restructuring items is $0.5 million of Somass site expenses incurred following the indefinite curtailment announcement.

We are leveraging recently completed and activated strategic capital investments to consolidate our coastal manufacturing platform. We expect to deliver further cost reductions through consolidation in the future.

Income Taxes

Current income tax expense of $0.1 million and deferred income tax expense of $4.1 million were recognized in net income in the third quarter of 2017, primarily relating to operating earnings.

Strategy and Outlook

Western's long-term business objective is to create superior value for shareholders by building a margin-focused log and lumber business of scale to compete successfully in global softwood markets. We believe this will be achieved by maximizing the sustainable utilization of our forest tenures, operating safe, efficient, low-cost manufacturing facilities and producing high-value softwood lumber and logs for global markets. We seek to manage our business with a focus on operating cash flow and maximizing the value of our fibre resource through the production cycle, from the planning of our logging operations to the production, marketing and sale of our log and lumber products. We routinely evaluate our performance using the measure Return on Capital Employed.

Market Outlook

We believe the combination of continued strong demand for lumber from both the US and China, and constrained western North American log and lumber production, due to a prolonged fire season, will support lumber prices through the seasonally weaker fall and early winter period. However, the application of final lumber duties which is expected to occur during the fourth quarter of 2017 could lead to some volatility.

Demand for our Western Red Cedar ("WRC") products remains strong however purchasing behaviour has become somewhat unpredictable due to the application of US lumber duties. In the third quarter purchasers of high-value lumber products, including WRC, curtailed buying in anticipation of lower prices during the CVD gap period. This impacted volumes and limited price increases on US bound shipments. As we approach the application of final duties, sales volumes could again be impacted as buyers wait for clarity in pricing before placing orders. Looking to 2018, the combination of limited WRC log supply, continued strong demand and clarity on US duty rates is expected to support pricing.

In Japan, improved housing starts and continued repatriation of US supply will provide Canadian suppliers the opportunity to increase market share and pricing.

Customer demand remains strong for our Niche products and pricing is expected to improve in the fourth quarter of 2017.

Growing demand coupled with constrained log supply is expected to support export and domestic sawlog pricing in the near term. We expect the log supply shortage to lead to reduced export sales volume as domestic manufacturers purchase more of the available supply. Pulp log pricing is expected to increase as pulp mills seek to rebuild their log inventories.

Update on Softwood Lumber Dispute

On November 25, 2016, a petition was filed by a coalition of US lumber producers to the US Department of Commerce (“DoC”) and the US International Trade Commission (“ITC”) requesting an investigation into alleged subsidies provided to Canadian lumber producers. On January 6, 2017, the ITC announced a preliminary determination that found there is reasonable indication the US industry is materially injured by imports of softwood lumber products from Canada. The Canadian forest products industry and Canadian Federal and Provincial governments strongly deny these assertions which have previously been disproved in international courts.

On April 24, 2017, the DoC announced a preliminary countervailing duty of 19.88% for “all other” Canadian lumber producers including Western, effective April 28, 2017, and on June 26, 2017, the DoC announced a preliminary “all other” anti-dumping duty rate of 6.87% effective June 30, 2017.

The DoC also made preliminary determinations on critical circumstances in April that resulted in 90-day retroactive application of countervailing duty from January 28 to April 27, 2017, and anti-dumping duty from April 1 to June 29, 2017.

The preliminary countervailing duties were applicable until August 25, 2017, after which they were suspended pending final determinations by the DoC and the ITC. Western’s results for the third quarter of 2017 include countervailing duty expense of $2.9 million and anti-dumping duty expense of $3.6 million.

On November 2, 2017, the DoC announced final determinations in its countervailing duty and anti-dumping duty investigations, which included lowering the final countervailing duty to 14.25% and lowering the final antidumping rate to 6.58%, for “all other” Canadian lumber producers including Western. The final countervailing duty rate is not applicable until the ITC makes a final injury determination, which is expected to occur in December 2017.

In addition, the DoC concluded that critical circumstances did not exist for countervailing duty, but did exist for anti-dumping duty. On this basis, Western’s 90-day retroactive anti-dumping duty obligation is USD $2.9 million. As we expect retroactive duty application to be reversed, consistent with the results of past softwood lumber disputes, we will recognize the retroactive duties as a deposit only upon payment.

We intend to maintain our strong balance sheet and diversified product and geographic sales mix as we await the outcome of the trade discussions.

Strategic Capital Program Update

We are implementing a strategic capital program that is designed to position Western as the only company on the coast of BC capable of sustainably consuming the complete profile of the coastal forest and competitively manufacturing a diverse product mix for global markets.

Our strategic capital program is focused on the installation of proven technology that will deliver leading performance and improve our ability to manufacture products that yield the best margin. In addition to investments in our manufacturing assets, we also allocate capital to strategic, high-return projects involving our information systems, timberlands assets, and forest inventories.

In the third quarter of 2017, we advanced the strategic investments at our Chemainus sawmill and Duke Point planer. We are progressing as planned with the Chemainus sawmill timber handling upgrades and the project is expected to be completed in the fourth quarter of 2017. At our Duke Point planer, we completed installation of the auto grader and began start-up operations shortly after quarter-end. We also acquired new timberlands mobile equipment to support our simplified sort and log flow optimization initiatives. The new equipment is expected to increase operating efficiency and reduce maintenance expense.

We have announced plans for $101.9 million of our $125 million strategic capital program. Through the third quarter of 2017, we have implemented and capitalized $97.9 million under that program. Uncertainty arising from the softwood lumber trade dispute has caused us to defer the commencement of additional potentially significant capital projects, however a number of high-return, low-cost strategic capital projects are in the late stages of planning or ready for implementation.

Non-Core Assets Update

On August 18, 2017, we completed the sale of our former South Island Remanufacturing operation for a gross purchase price of $3.2 million. A gain on disposition of $1.6 million was recognized in other income in the third quarter of 2017.

We have suspended marketing of our Northern Island Private Timberlands. In the third quarter of 2017 we received expressions of interest but they were not at values that would warrant a transaction.

We continue to pursue the marketing and disposition of certain non-core assets.

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", "seek", "should", "may", "likely" 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, international trade disputes, changes in foreign currency exchange rates, labour disruptions, natural disasters, relations with First Nations groups, changes in laws, the availability of annual allowable cut, 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 2016 Annual Report dated February 16, 2017. 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 press release to adjusted EBITDA which is defined as operating income prior to operating restructuring items and other income, plus amortization of property, plant, equipment, and intangible assets, impairment adjustments, and changes in fair value of biological assets. Adjusted EBITDA margin is EBITDA presented as a proportion of revenue. Western uses adjusted EBITDA and adjusted EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider adjusted 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 adjusted EBITDA and adjusted EBITDA margin are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Adjusted EBITDA does not represent cash generated from operations as defined by International Financial Reporting Standards ("IFRS") and it is not necessarily indicative of cash available to fund cash needs. Furthermore, adjusted EBITDA does not reflect the impact of a number of items that affect our net income. Adjusted EBITDA and adjusted EBITDA margin are not measures of financial performance under IFRS, and should not be considered as alternatives to measure performance under IFRS. Moreover, because all companies do not calculate adjusted EBITDA and adjusted EBITDA margin in the same manner, these measures as calculated by Western may differ from similar measures as calculated by other companies. A reconciliation between the Company's net income as reported in accordance with IFRS and adjusted EBITDA is included in the Company's Management's Discussion & Analysis for the quarter ended September 30, 2017, which is available under the Company's profile on SEDAR at www.sedar.com.

Also in this press release management uses key performance indicators such as net debt, net debt to capitalization and current assets to current liabilities. Net debt is defined as long-term debt less cash and cash equivalents. Net debt to capitalization is a ratio defined as net debt divided by capitalization, with capitalization being the sum of net debt and shareholder's equity. Current assets to current liabilities is defined as total current assets divided by total current liabilities. These key performance indicators are non-GAAP financial measures that do not have a standardized meaning and may not be comparable to similar measures used by other issuers. They are not recognized by IFRS, however, they are meaningful in that they indicate the Company's ability to meet their obligations on an ongoing basis, and indicate whether the Company is more or less leveraged than the prior year.

Western is an integrated Canadian forest products company, and is the largest coastal British Columbia woodland operator and lumber producer. The Company has an annual available harvest of approximately 6.1 million cubic metres of timber, of which approximately 5.9 million cubic metres is from Crown lands. Western has a lumber capacity in excess of 1.1 billion board feet from seven sawmills and one remanufacturing plant. 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, with sales worldwide.

TELECONFERENCE CALL NOTIFICATION:

Friday, November 3, 2017 at 9:00 a.m. PST/12:00 p.m. EST

On Friday, November 3, 2017, Western Forest Products Inc. will host a teleconference call at 9:00 a.m. PST (12:00 p.m. EST). To participate in the teleconference please dial 416-340-2217 or 1-800-806-5484 (passcode: 7626354#). This call will be taped, available one hour after the teleconference, and on replay until November 13, 2017 at 8:59 p.m. PST (11:59 p.m. EST). To hear a complete replay, please call 905-694-9451 / 1-800-408-3053 (passcode: 2602895#).

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