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FOR IMMEDIATE RELEASE

TSX: WEF

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**Western Forest Products Announces Closing of the Secondary Offering
by Brookfield Special Situations Management Limited**

December 4, 2012 – Vancouver, British Columbia. Western Forest Products Inc. (TSX:WEF) ("Western" or the "Company") and Brookfield Special Situations Management Limited ("Brookfield"), a wholly-owned subsidiary of Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM), today announced that they have closed the previously announced bought deal secondary offering, through which Brookfield sold 62,500,000 non-voting shares of Western (the "Offered Shares") at an offering price of \$1.20 per share (the "Offering") for aggregate gross proceeds to Brookfield of C\$75,000,000.

The Offering was conducted by Scotiabank, CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc. and Raymond James Ltd. (collectively, the "Underwriters"). In connection with the Offering, the Underwriters were granted an over-allotment option to purchase up to an additional 9,375,000 non-voting shares from Brookfield at the offering price, under the same terms, exercisable for a period of 30 days from closing of the Offering.

On closing of the Offering, all Offered Shares were converted, on a one-for-one basis, into common shares of Western, representing approximately 33% of the 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 then remaining non-voting shares held by Brookfield were converted into common shares on a one-for-one basis (the "Post-Offering Conversion"), resulting in Brookfield holding 122,639,345 common shares, representing approximately 49% of the current issued and outstanding common shares of Western on a non-diluted basis. This represents the same percentage of common shares that Brookfield held prior to the Offering.

The Post-Offering Conversion may be considered to be a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as the Company issued securities to Brookfield, a related party of the Company by virtue of its beneficial ownership of more than 10% of the voting shares of the Company. The Post-Offering Conversion was, however, exempt from the valuation and minority approval requirements under MI 61-101 for related party transactions as the fair market value of the common shares issued in the Post-Offering Conversion was less than 25% of the Company's market capitalization.

The Offered Shares were offered by way of a short form prospectus filed in all of the provinces of Canada pursuant to National Instrument 44-101 - *Short Form Prospectus Distributions* and in the United States pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act").

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction in which such offer, sale or solicitation would be unlawful. The common shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

Western Forest Products

Western is an integrated Canadian forest products company and the largest coastal British Columbia woodland operator and lumber producer with an annual available harvest of approximately 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 by-products 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.

Contacts:

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Forward Looking Statements

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 2011 Annual Report dated February 22, 2012. 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.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.