



WESTERN FOREST PRODUCTS INC.

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FOR IMMEDIATE RELEASE

TSX: WEF

**Western Completes Sale of its Crown Tenure on Haida Gwaii to
Taan Forest Limited Partnership
Previously Announced Deal Closed on June 28, 2012**

June 28, 2012 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) (“Western” or “the Company”) announces that it has closed the previously announced sale of 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, Western will receive net proceeds of approximately \$12.2 million, of which \$2.6 million has previously been received. Western also retains a right of first refusal on a certain quantity of cedar logs harvested by Taan over the next 24 months. Taan will assume substantially all of the obligations of Western on Haida Gwaii. The net proceeds from the sale will be used to pay down the Company’s debt in accordance with its lending agreements.

“We are pleased to complete the sale of TFL 60 to Taan. This transaction gives us the opportunity to further strengthen our balance sheet through the reduction of debt, creates additional flexibility as we pursue our strategic capital investments, all this without impacting our core harvesting operations. We have no plans to sell any additional Crown timber tenures” said Dominic Gammiero, Chairman and Chief Executive Officer.

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 four remanufacturing plants. Principal activities conducted by the Company include timber harvesting, reforestation, sawmilling logs into lumber and wood chips and value-added remanufacturing. Substantially all of Western’s operations, employees and corporate facilities are located in the coastal region of British Columbia while its products are sold in over 25 countries worldwide.

Forward-Looking Statements

This press release contains statements which constitute forward-looking statements and information within the meaning of applicable securities laws, including statements regarding a sale of timber tenures and our current intentions not to sell any other Crown timber tenure in the future. Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating legal rights, and that the statements and information provided are not guarantees either that the announced transaction will be completed, or that the Company will not in the future sell any additional tenures if circumstances or management’s intentions in that regard should change.

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