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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Reports Second Quarter 2014 Results

July 30, 2014 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") announces results for the second quarter of 2014 with adjusted EBITDA of $40.9 million compared to adjusted EBITDA of $32.8 million for the first quarter of 2014 and $44.9 million for the second quarter of 2013.

The Company reported revenue of $296.2 million for the second quarter of 2014 compared to $246.0 million for the first quarter of 2014 and $262.3 million for the second quarter of 2013.

Q2 2014 HIGHLIGHTS

- Adjusted EBITDA of $40.9 million, an improvement of $8.1 million compared to the first quarter 2014 result, and $4.0 million lower than the record second quarter 2013 result.
- Lumber revenue improved by 15% over the same period last year, led by higher sales volumes, improved pricing for key products, and a favourable exchange rate.
- Mill productivity levels increased 4% over the same period last year.

"Despite the challenges that we faced in our second quarter, we delivered another strong performance. Increased shipments and an improved sales mix drove our revenue to its highest level in seven years," said Don Demens, President and Chief Executive Officer. "We believe that gradually improving market conditions and the efficiencies from our strategic capital investments, have positioned our Company for continued growth."

Net income for the second quarter of 2014 was $29.2 million ($0.07 per diluted share) compared to a net income reported for the first quarter of 2014 of $23.6 million ($0.06 per diluted share) and a net income reported in the second quarter of 2013 of $35.5 million ($0.07 per diluted share).

FINANCIAL SUMMARY

(millions of dollars except where noted)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue	$ 296.2	$ 262.3	$ 542.2	$ 496.1
Adjusted EBITDA	40.9	44.9	73.7	76.8
Adjusted EBITDA margin	13.8%	17.1%	13.6%	15.5%
Operating income prior to restructuring items and other income	31.3	36.2	56.2	60.8
Net income from continuing operations	29.2	35.7	52.8	58.8
Net income for the period	29.2	35.5	52.8	58.3
Basic earnings per share (in dollars)	$ 0.07	$ 0.08	$ 0.13	$ 0.12
Diluted earnings per share (in dollars)	$ 0.07	$ 0.07	$ 0.13	$ 0.12
Net Debt at June 30,			65.5	-
Liquidity at June 30,			165.6	231.7

Second Quarter 2014

Overview

Western reported adjusted EBITDA of $40.9 million for the second quarter of 2014, an $8.1 million improvement over the prior quarter and a $4.0 million decline from the second quarter of 2013. Our adjusted EBITDA margin of 13.8% in the second quarter of 2014 was consistent with the prior quarter. Our revenue in the second quarter of 2014 is the highest quarterly revenue reported in seven years, and reflects improved product pricing, increased lumber and log shipments, an improved product mix, and the benefit of a weaker Canadian dollar (”CAD”). Increases in our log harvesting and freight costs contributed to a 3.3% decline in our adjusted EBITDA margin in the second quarter 2014, compared to the same quarter of 2013. Our costs and production levels were also impacted by our decision to close operations at all our manufacturing facilities for at least three business days following the tragic shooting on April 30, 2014, at our Nanaimo sawmill, when two employees were fatally wounded, and two others injured.

Average prices realized in the second quarter of 2014 for our lumber products were 4% better than the second quarter a year ago, supported by a favourable exchange rate in the current quarter, and improved pricing in North American specialty products. Average prices realized for logs sold improved 7% in the second quarter of 2014 compared to the second quarter of 2013. This increase was principally a result of improving the mix of our sales and, to a lesser degree, price increases, most notably for shingle and peeler logs. As in the first quarter of 2014, we continued to reduce the percentage of pulp log sales, from 32% of our total log sales in the second quarter of 2013 to 22% in the second quarter of 2014, while at the same time increasing our domestic and export log sales.

Total lumber production was 3% higher in the second quarter of 2014 compared to the same quarter a year ago, with increased productivity more than offsetting the impact of running fewer operating days. Log costs in the second quarter of 2014 increased as a result of higher stumpage rates and increased harvesting costs. Other cost increases were incurred in the current quarter in the pursuit of higher value log mix, including a 76% increase in the volume from helicopter logging compared to the second quarter of 2013. In addition, we invested $2.0 million more in road construction during the second quarter of 2014 compared to the same quarter last year.

Net income for the second quarter of 2014 was $29.2 million, or $0.07 per share as compared to net income of $35.5 million, or $0.08 per share, for the same period of 2013, and to $23.6 million, or $0.06 per share, for the previous quarter.

Our liquidity position remains strong. At June 30, 2014, we had total liquidity of $165.6 million, compared to $125.9 million at the end of 2013. The increased liquidity in the first half of 2014 primarily resulted from cash generated by operations.

Our strategic capital plan continues to progress in accordance with expectations and will build on previous investments at the Saltair, Cowichan Bay and Alberni Pacific sawmills. Our Board of Directors recently approved an additional $6.6 million investment at the Duke Point sawmill, giving a committed capital investment of $8.0 million at the facility. In addition, we commenced work on a $2.3 million investment to our barge loading facility, which will reduce the costs of accessing key North American and export markets.

During the second quarter of 2014, our margin improvement plan program contributed a further $5.8 million in annualized margin enhancements. These benefits mainly relate to improvements in timberlands operations, changes in product mix to create higher margins at our sawmills, and other logistics and procurement initiatives.

On July 14, 2014, Western signed a memorandum of agreement with the United Steel Workers on a five-year collective agreement, largely based on a previously negotiated agreement with BC interior forest companies. Ratification of this agreement is expected in the next few weeks.

In the second quarter of 2014, we continued to provide returns to our shareholders through our dividend program, paying $7.9 million or $0.02 per share to shareholders on June 20, 2014. Total dividend payments in the first half of 2014 amounted to $15.7 million, or $0.04 per share.

Operating Results

Second quarter 2014

Lumber revenue in the second quarter of 2014 grew to $207.9 million, 15% higher than in the second quarter of 2013. This increase was driven by an 11% increase in shipment volume combined with higher realized prices. Our average realized price for lumber during the second quarter of 2014 was 4%, or $33 per thousand board feet, higher than in the second quarter of 2013. This reflects both the benefit of a weaker CAD, and actual price increases for our Western Red Cedar (“WRC”). Partially offsetting these benefits was a lower value mix of our sales, as we sold a greater volume of commodity lumber, and proportionately less lumber into the Japanese market, in the second quarter this year compared to 2013.

Log revenue in the second quarter of 2014 was $71.8 million, an increase of $4.8 million, or 7%, over the second quarter of 2013. Our shipment volume in the current quarter was 1% higher than in the same quarter last year. The main driver of the increased log revenues in the current quarter was product mix related. We sold 20% more of higher value export logs and shingle logs, and 31% less of lower value pulp logs. With the exception of higher prices for shingle and peeler logs, prices were generally similar compared to the same period last year.

By-products revenue in the second quarter of 2014 was $16.5 million, $1.6 million higher than the $14.9 million reported for in the same period in 2013. This increase was the result of 11% higher average realized chip prices this quarter, combined with a 2% increase in the volume of chips sold compared to the second quarter of 2013. The increase in chip prices over the two quarters reflects an increase in the market price of pulp, to which prices received are tied by formula.

Adjusted EBITDA of $40.9 million for the second quarter of 2014 compares to $44.9 million reported in the same quarter last year and to $32.8 million in the first quarter of 2014. Results for the second quarter 2014 benefitted from improved sales volumes and prices for our products, and the favourable impact on our revenues of the weakening of the CAD against the US dollar (“USD”). The CAD was, on average, 7% weaker relative to the USD during the second quarter of 2014 compared to the second quarter of last year. The decline in adjusted EBITDA compared to the same quarter a year ago primarily reflects cost increases in our timberlands operations.

Our log harvest volume for the current quarter was 1.5 million cubic metres, which was 3% higher than the volume harvested in the second quarter of 2013. Our overall harvest costs were higher in the second quarter of 2014 compared to the second quarter last year. This increase resulted from a variety of factors including increased stumpage rates, and higher logging costs. Costs were also impacted in the second quarter of 2014 relative the second quarter last year as we increased the level of heli-logging by 76% to achieve a higher value log mix. We also invested more on construction of new logging roads which were expensed in the current quarter.

Total lumber production for the second quarter of 2014 was 237 million board feet, 3% higher than during the second quarter of 2013. The increased volume occurred despite downtime taken at our mills following the tragedy at our Nanaimo sawmill in April. An increase of 4% in mill productivity, as measured on a production per shift basis, compensated for the lower number of shifts operated over the respective quarters. The improved productivity was largely driven by our Saltair sawmill, following its capital program undertaken in 2013.

Freight costs in the second quarter of 2014 were $25.1 million, which was $3.4 million more than those incurred in the second quarter of 2013. This increase is the result of an 11% increase in shipment volumes of lumber in the current quarter as compared to the second quarter of 2013, and the impact of the weaker Canadian dollar in the current quarter. Partially offsetting these increases were lower log freight costs.

Selling and administration expenses in the second quarter of 2014 were $8.1 million, compared to $8.0 million in the same quarter in 2013. As a percentage of revenue, our selling and administration costs were 2.8% for the second quarter of 2014, a reduction from the 3.0% reported in second quarter of 2013.

Year to date, June 30, 2014

Total revenue for the first half of 2014 grew to $542.2 million, which was 9% higher than the first half of 2013. Lumber and by-product revenues were up by 13% and 17%, respectively, while log revenue was down by 3%. Our lumber shipment volumes and average prices realized were both higher by 6%, and by-product prices were 14% higher, driven primarily by higher chip prices in the first half of 2014. Despite realized average log prices being 7% higher during the first half of 2014, overall revenue declined as shipment volumes were lower than for the first half 2013. The reasons for these changes over the respective six month periods are similar to those discussed in the second quarter summary above, and reflect improved markets for our products and the continued efforts by Western to maximize adjusted EBITDA by channeling our products into higher margin markets. The CAD was, on average, 8% weaker relative to the USD during the first six months of 2014 compared to the same period in 2013, which also contributed to the improved prices realized for our products.

Adjusted EBITDA for the first six months of 2014 was $73.7 million, compared to $76.8 million in the first six months of 2013. While total revenues for the first half of 2014 were 9% higher than the same period in 2013, log harvest cost increases led to a reduction in adjusted EBITDA margins from 15.5% in the first half of 2013 to 13.6% in the same period of 2014.

Lumber production for the first half of 2014 was 6% higher than in the first half of 2013. The majority of this increase was in the first quarter of 2014 and was achieved mainly at our Saltair and Cowichan Bay mills. Overall mill productivity for the first half of 2014 was 4% ahead of the same period in 2013, which primarily reflects the beneficial impacts of the capital improvements implemented at the Saltair sawmill during 2013, combined with operating improvements at our mills.

Our total log harvest for the first half of 2014 was 2.8 million cubic metres, marginally lower than the volume in the same period last year. Harvest costs were higher in the first half of 2014 as a result of increased stumpage, increased harvest operating costs, increased use of heli-logging, and the construction of more spur roads. We approximately doubled the level of heli-logging in the first six months of 2014 and invested $4.0 million more in the construction of spur roads compared to the first half of 2013.

Selling and administration costs in the first half of 2014 were $17.9 million, which was $1.9 million more than in the same period last year. Most of the increase relates to performance related compensation. The cost for the six months as a percentage of revenue at 3.3% remains relatively consistent year over year.

Restructuring Costs

In the second quarter of 2014, an expense of $1.2 million was recognized following the arbitrated settlement of a union grievance relating to the 2011 curtailment of the Duke Point and Nanaimo sawmills.

Finance costs

Finance costs in the second quarter of 2014 were $1.5 million, which was $0.7 million higher than the same quarter of 2013. This increase was primarily the result of higher outstanding debt levels on our revolving term loan facility during the current quarter, which averaged $85.9 million, compared to a negligible amount during the second quarter of 2013. Partially offsetting this increase was the impact of lower interest rates and lower finance costs associated with our defined benefit pension plan in the second quarter of this year compared to the same quarter last year.

Discontinued Operations

Operations on the site of the former Squamish pulp mill were discontinued in 2006. Since that date, the Company has expensed costs for supervision, security, property taxes and environmental remediation. For the first quarter of 2014, we incurred no net expense for the site as revenue from selling hydro-electric power generated at the site offset our costs.

Closing of the previously announced sale of this site is progressing satisfactorily, with required remediation work on schedule, and we anticipate receiving net proceeds from the sale and remediation of approximately $18.0 million.

As economic and other circumstances allow, Western will continue to pursue opportunities to sell non-core assets.

Strategy and Outlook

Western's strategy, which is designed to maximize product margins while prudently increasing our sales volume, continued to progress during the first half of 2014. Key operational priorities for the strategy in 2014 include:

- Increasing log availability through improved utilization and accessing more volume on the open market
- Improving productivity through increased machine utilization efficiencies
- Rationalizing our lumber marketing programs by mill to drive higher margins

Market Outlook

During the second quarter of 2014 the rate of new home construction in the US leveled off at a pace of just under 1 million seasonally adjusted starts, an increase of 8% over the second quarter 2013. For the balance of 2014, our outlook for US housing growth is relatively flat. In the medium-term we expect gradual improvement in the US new home construction and the repair and renovation segment, which should drive lumber demand higher. Over the longer-term, constrained supply of Canadian softwood lumber due to BC's mountain pine beetle infestation and reduced allowable cut levels from eastern provinces, along with an increase in worldwide demand for lumber, are expected to lead to improved pricing for logs and lumber.

We benefited from strong demand for our cedar products in the second quarter of 2014, which increased over 2013 levels. Continued robust demand and limited log and lumber inventories are expected to support stable pricing for WRC as we move through the traditionally slower back half of the year.

Demand for lumber in Japan is currently being negatively impacted by a combination of seasonal weakness and reduced housing starts due to the increase in consumption tax introduced in April 2014. In the event that this trend worsens, we will re-evaluate our market options and adjust operating levels accordingly.

Niche lumber markets continue to improve heading into the second half of 2014, driven by the improved US repair and renovation segments.

Our realized prices for commodity lumber in the first half of 2014 increased year-over-year, but softness in SPF commodity lumber demand will limit our ability to improve prices in the second half of 2014.

High log inventories in China have resulted in reduced export log prices. We expect export prices to stabilize over the third quarter and demand to return as inventories come into balance. The domestic log market is expected to remain strong through the third quarter. We anticipate pulp log pricing will improve through the third quarter due to increased competition from pulp companies for open market supply.

Strategic Capital Plan Update

Our strategic capital plan continues to make steady progress:

- The Cowichan Bay log auto-rotation project was successfully installed and fully operational on July 28, 2014.
- The first phase of the Duke Point sawmill modernization was completed on July 29, 2014, and our Board recently approved an additional $6.6 million phase two investment at the mill to increase productivity and consolidate production.
- The final phase of our Saltair sawmill project, which involves the installation of a new log in-feed, will commence during the third quarter of 2014 and is expected to be complete by the end of this year.
- In July, 2014, we commenced work on a $2.3 million project to enhance the efficiency at our Duke Point barge loading facility, which will reduce the costs of accessing key North American and export markets.
- Our recently installed Alberni Pacific sawmill autograder continues to exceed operating expectations, and we continue the evaluation of our other mills for similar autograder installations.

The Company's Q2 2014 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 2013 Annual Report dated February 20, 2014. 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 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 IFRSs 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 IFRSs, and should not be considered as alternatives to measure performance under IFRSs. 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 IFRSs and adjusted EBITDA is included in the Company's Management's Discussion & Analysis for the year ended December 31, 2013, which is available under the Company's profile on SEDAR at www.sedar.com.

Also in this report 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 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, July 31, 2014 at 9:00 a.m. PST/12:00 p.m. EST

On Thursday, July 31, 2014, 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 416-340-8530 or 1-800-769-8320. This call will be taped, available one hour after the teleconference, and on replay until August 6, 2014 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: 2444482).

Contacts:
For further information, please contact:

Brian Cairo
Chief Financial Officer & Corporate Secretary
(250) 734-4710

Letter to Shareholders

To Our Shareholders,

In the second quarter of 2014, Western continued to grow our business, achieving our highest quarterly revenue in seven years and delivering strong adjusted EBITDA results. We capitalized on the strong repair and renovation market in the U.S. by increasing sales of our Western Red Cedar and niche products. We continue to improve log mix through our log upgrade strategy which is delivering better margins. Sales volumes and lumber production were up substantially compared to the same quarter last year. Year to date, we have returned a total of $15.7 million to our shareholders while we continue to implement our strategic capital investment plan for the business.

Second quarter 2014 financial highlights:

- Grew revenue to $296 million, a 13% increase from the same period last year
- Delivered adjusted EBITDA of $40.9 million, a 25% increase from the previous quarter
- Improved liquidity by 15% in the quarter to $166 million

Second quarter 2014 operational successes:

- Lumber sales volume increased 11% from the second quarter last year to 255 Mmfbm
- Log harvest volume increased 3% from the second quarter last year to 1,544 m3
- Achieved an industry leading safety performance with a medical incident rate of 0.93
- Increased mill productivity by 4% from prior year second quarter
- Delivered an additional $5.8 million in margin improvement

Market update: We expect to see continued strength in the U.S. repair and renovation segment in North America, which should support demand for our Western Red Cedar products through the traditionally slower third and fourth quarters. Our niche products should also benefit from improving demand in North America for appearance lumber products. Demand for lumber in Japan is expected to continue to be impacted by high inventories through the third quarter. We remain cautiously optimistic that the market will regain its footing as we move into the fourth quarter. We believe that the demand for commodity lumber will be supported by the anticipated gradual recovery in the U.S. and growing demand from China. Pricing is likely to remain volatile until demand in the U.S. returns to trend levels.

Capital improvements: Western continues to make strategic capital investments in our operating platform. During the second half of 2014 we will implement more than $22 million in our Cowichan Bay, Duke Point and Saltair operations. Our $2.5 million Cowichan Bay auto log rotation project was successfully installed and fully operational on July 28, 2014. The first phase of our Duke Point sawmill modernization plan was completed on July 29, 2014 and we anticipate completing our $6.6 million phase II by year-end. The $11 million Saltair sawmill log in-feed system will be operational by the end of the year. We have commenced work on a $2.3 million upgrade to our barge loading facility that will drive cost efficiencies with respect to accessing key markets.

Safety: Western continues to lead our industry in safety. Our timberlands operations continue to perform at a very high level and we are delivering improved results with contractors. In our manufacturing operations, we continue to work with all of our stakeholders to drive improved results in the management of sawmill dust. We maintain our vigilance on health and safety as the safety of our employees remains our highest concern.

Finally, I am pleased to announce that we have reached a tentative agreement with the United Steel Workers on a five-year collective agreement. The agreement is similar to the pattern previously negotiated with interior forest companies. Ratification of this agreement is expected in the next few weeks.

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

Sincerely,

"Don Demens"

Don Demens
President and CEO
Western Forest Products