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FOR IMMEDIATE RELEASE **TSX: WEF**

Strong Markets and Solid Execution Allows Western to Produce $24.4 Million of Adjusted EBITDA in the Fourth Quarter of 2013

February 20, 2014 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the fourth quarter and year ended December 31, 2013. The Company reported adjusted EBITDA of $24.4 million for the fourth quarter of 2013, compared to adjusted EBITDA of $14.3 million for the fourth quarter of 2012.

Q4 2013 HIGHLIGHTS

- Adjusted EBITDA of $24.4 million, an increase of $10.1 million over the fourth quarter 2012
- Operations achieved a medical incident rate of 1.0, an improvement of 25% from the previous year
- Paid second quarterly dividend of $0.02 per share in December
- Installed an autograder at our Alberni Pacific sawmill and upgraded our planer at Cowichan Bay
- Liquidity remains strong with conservative net debt-to-capitalization ratio of 18%

"Another quarter of strong operating performance allowed us to capitalize on improved markets and deliver $24.4 million of adjusted EBITDA. We improved our safety performance, financial results, and delivered strong shareholder returns. I am particularly pleased with these results given the seasonally challenging nature of our fourth quarters. We have also been successful in building our log inventories to take advantage of the upcoming spring building season and improved markets" said Don Demens, President and Chief Executive Officer.

Net income for the fourth quarter of 2013 was $49.9 million ($0.13 per share), on sales of $242.0 million, which compared to a net income reported in the fourth quarter of 2012 of $14.3 million ($0.03 per share) on sales of $231.2 million.

FINANCIAL SUMMARY

(millions of dollars except where noted)	Three months ended December 31, 2013	Three months ended December 31, 2012 Restated (1)	Year ended December 31, 2013	Year ended December 31, 2012 Restated (1)
Sales	$ 242.0	$ 231.2	$ 977.5	$ 925.4
Adjusted EBITDA	24.4	14.3	128.8	51.0
Adjusted EBITDA as % of revenues	10.1%	6.2%	13.2%	5.5%
Operating income before restructuring items and other income	24.9	21.0	105.5	37.7
Net income from continuing operations	49.9	14.5	125.9	29.3
Net income for the period	49.9	14.3	125.4	28.2
Basic earnings per share (in dollars)	$ 0.13	$ 0.03	$ 0.29	$ 0.06
Diluted earnings per share (in dollars)	$ 0.13	$ 0.03	$ 0.28	$ 0.06
Net Debt at December 31,			82.9	15.0
Liquidity at December 31,			125.9	185.1

(1) Restated to reflect implementation of revised IAS 19 *Employee Benefits* .

Fourth quarter 2013

We saw an overall improvement in market conditions in the fourth quarter of 2013 relative to the fourth quarter of 2012. Historically, lumber prices decrease in the fourth quarter as seasonal demand declines. However, as in 2012, North American commodity lumber prices increased during the quarter, along with WRC, and other higher grade lumber. Log prices were also higher in the fourth quarter of 2013 compared to 2012.

We reported adjusted EBITDA of $24.4 million in the fourth quarter of 2013, an increase of $10.1 million over the fourth quarter of 2012. The increase in adjusted EBITDA resulted from higher average realized prices on log and lumber sales, partially offset by lower volumes of log sales and increased costs in our timberlands operations. Revenues were higher by $10.8 million, or 5%, in the fourth quarter of 2013 compared to the fourth quarter of 2012. Lumber and by-products revenues were higher with a small decline in log revenues.

Lumber shipment volumes were the same in both quarters at 222 million board feet, but average realized prices were 8% higher this quarter with WRC, hemlock and Douglas fir price realizations all being higher, driven by strengthening demand.

Log revenue in the fourth quarter of 2013 was $3.2 million lower than the same quarter in 2012. Shipment volumes were 138,000 cubic metres, or 17%, less in fourth quarter of 2013 compared to the same quarter in 2012. However, offsetting the impact of lower volumes was the benefit of higher average prices and a more favourable mix of products sold. Fourth quarter 2013 realized prices were higher, on average, by 15% over the fourth quarter of 2012 with increases for export logs, hemlock sawlogs, and peeler logs. Operations were also able to improve the mix of our sales by diverting pulp logs into hemlock sawlog sorts. By-product revenues were $2.0 million higher this quarter compared to the fourth quarter of 2012, principally as a result of average chip prices being 17% higher this quarter compared to 2012, which reflects improvements in global pulp prices.

Sawmill production in the fourth quarter of 2013 was 13% higher than the fourth quarter 2012, mainly due to being able to run extra shifts in the fourth quarter this year, in part due to greater log availability. In addition, mill productivity as measured on a production per shift basis, was 3% higher this quarter compared to the fourth quarter of 2012.

Our timberlands harvest volume for the fourth quarter of 2013 was 1,314,000 cubic metres, which was 8% lower than our harvest in the same quarter of 2012. In 2013, our harvest costs were higher by approximately $7 per cubic metre than in the fourth quarter of 2012, which was partially reflective of the increased logging activity in higher cost locations, and increased helicopter logging this quarter. Spending on spur road construction increased as we built more roads in the fourth quarter of 2013 compared to last year. We also increased log purchases in the current quarter relative to 2012 in order to supply more volume to meet our manufacturing needs.

In the fourth quarter of 2013, the Canadian dollar weakened against the US dollar by approximately 6%, but was 14% stronger relative to the Japanese Yen, compared to the rates for the fourth quarter of 2012.

The strengthening US dollar had a positive impact on our results, whereas the weakening Yen had a negative effect in the current quarter compared to the same quarter in 2012.

Selling and administration expenses in the fourth quarter of 2013 were $8.8 million, which was $2.0 million higher than the fourth quarter of 2012. This increase is mostly attributable to performance related employee compensation costs incurred in the current quarter.

Net income of $49.9 million reported in the fourth quarter of 2013 was an increase of $35.6 million over the income of $14.3 million reported for the same quarter of 2012. The improvement was primarily due to the higher adjusted EBITDA earned in the current quarter, combined with the deferred income tax recovery of $26.5 million recognized in the fourth quarter of 2013. Operating restructuring items were $4.1 million lower in the fourth quarter of 2013 compared to the fourth quarter of 2012, as that year included $4.0 million expensed as a result of restructuring harvesting operations in TFL 44 in order to improve its operating performance in the future.

Other expenses in the fourth quarter of 2013 of $0.1 million compared to other expenses of $0.9 million in the fourth quarter of 2012. Included in the fourth quarter of 2012 was a net loss on non-core asset sales of $1.5 million, partially offset by income of $0.9 million received from the Province of British Columbia for costs incurred by Western relating to the Sliammon First Nations Treaty.

Finance costs in the fourth quarter of 2013 were $1.7 million which was $0.3 million higher than the same quarter of 2012, primarily as a result of higher average debt levels in the current quarter. This was partly offset by lower finance costs associated with our deferred pension plan in the fourth quarter of this year.

Following impairment assessments made on our crown tenures in the fourth quarters of both 2013 and 2012, we recognized impairment reversals of $8.2 million and $12.9 million, respectively.

Year ended December 31, 2013

Overview

Western reported strong financial results for 2013, reflecting continued growth of the Company. Total revenue of $977.5 million was 6% higher than one year ago, while adjusted EBITDA margins increased to 13.2% from 5.5% in 2012. Adjusted EBITDA for the year was $128.8 million, the best annual adjusted EBITDA result in our history, and an increase of $77.8 million over the comparable figure for 2012. Our improved adjusted EBITDA result was driven by stronger product demand leading to improved pricing, for both our lumber and log sales, as well as continued execution on the part of our operations. Average realized prices during 2013 for lumber and logs were higher by 8% and 21%, respectively, over last year.

Improved demand for our lumber and logs was driven by increased housing starts in the United States (“US”) and Japan, and increased government investment in infrastructure and housing in China. 2013 housing starts in the US were 923,400 units, which was 18% higher than in 2012. North American benchmark Western Spruce/Pine/Fir 2x4 #2&Btr (“SPF”) prices were on average 19% higher during 2013 compared to 2012. Western Red Cedar (“WRC”), whitewood specialty lumber and commodity lumber prices were all significantly higher this year. Log markets in 2013 continued to reflect strong demand with prices for domestic sawlogs and export logs higher than in 2012.

In anticipation of more robust markets, our operations group moved log volume quickly through our supply chain, supplying logs to our mills to optimize production levels, and also delivering a higher value log mix to external markets. We increased our sawlog availability through purchases in the open market and with more aggressive log sorting. Our log harvest volume was at normal levels in 2013, but 12% lower when compared to 2012. In 2012, we accelerated harvesting in order to capture undercut volumes from previous years.

Net income of $125.4 million in 2013 was an increase of $97.2 million over our 2012 net income of $28.2 million. In addition to the $77.8 million increase in adjusted EBITDA generated in 2013, we recognized a deferred income tax asset of $26.5 million associated with our available tax losses.

Our liquidity position remains strong. At December 31, 2013, we had total liquidity of $125.9 million, compared to $185.1 million at the end of 2012. During 2013, we utilized $100.3 million of liquidity to finance a share repurchase, and also repaid $45.0 million of debt from surplus cash generated by operations.

Our strategic capital plan continues to progress well. We completed the first phase of our Saltair sawmill project during 2013. Construction will commence on the next phase of this project, which involves the installation of a new log in-feed, during the second quarter of 2014. We expect the full benefits from the project to commence by the fourth quarter of 2014. The Alberni Pacific sawmill autograder was installed at the end of 2013 and is operating as expected. Our Cowichan Bay capital upgrade consists of two phases. The first phase, a planer upgrade, was completed in late 2013, and the second phase, a log auto-rotation project, will be installed early in the third quarter of 2014.

During 2013, our non-capital margin improvement plan program contributed $14.2 million in annualized margin enhancements. These benefits mainly relate to manufacturing throughput improvements, along with timberlands, logistics and procurement initiatives.

Key events in 2013

On August 16, 2013, the Company closed a substantial issuer bid, repurchasing 76,923,076 outstanding shares for a purchase price of $1.30 per share, for gross aggregate consideration of $100.0 million excluding transaction costs, which was financed from funds drawn on our revolving term loan facility. These shares represented approximately 16% of the total number of shares issued and outstanding as of August 16, 2013. 76,914,830 of the shares were repurchased from Brookfield Special Situations Management Limited ("BSSML") for consideration of approximately $100.0 million. Immediately following the repurchase, the Company converted 36,800,000 Non-Voting Shares held by BSSML, on a one-for-one basis, into Common Shares of the Company.

On October 9, 2013 and January 31, 2014 the Company closed two secondary offerings of the Company's shares by BSSML. As a result, all of the remaining 85,050,597 Non-Voting Shares of the Company were converted, on a one-for-one basis, into Common Shares of the Company. Following these transactions BSSML held no Non-Voting Shares and 163,012,474 Common Shares, representing approximately 42% of the issued and outstanding Common Shares on a non-diluted basis.

The substantial issuer bid and the BSSML secondary offerings have both been positive for Western's shareholders, and have led to a significant increase in the public float of our Common Shares from approximately $80 million in December 2012 to $540 million in January 2014. In addition, the average daily trading volume of our shares increased by approximately five times over the same period.

During 2013, we initiated a quarterly dividend program and paid our first two dividends of $0.02 per share in each of September and December 2013.

On January 28, 2013, we entered into a conditional sale agreement for the sale of our former Woodfibre Pulp Mill site for net proceeds of approximately $18.0 million. Closing of the sale is subject to certain conditions, and we are responsible for the satisfactory remediation of the property to applicable environmental standards prior to closing the sale. The remediation plan is in progress, and we anticipate achieving the required environmental certification early in 2015. As economic and other circumstances allow, we will continue to pursue opportunities to sell other non-core assets.

Operating Results

(millions of dollars)	Year ended December 31, 2013	Year ended December 31, 2012
Revenues		
Lumber	$ 677.2	$ 624.4
Logs	243.8	246.3
By-products	56.5	54.7
Total revenues	977.5	925.4
Adjusted EBITDA	128.8	51.0
Adjusted EBITDA as % of revenues	13.2%	5.5%

Adjusted EBITDA for 2013 was $128.8 million, which is an increase of $77.8 million over the $51.0 million earned in 2012. The higher adjusted EBITDA primarily reflects improved prices for our products in 2013 due to improving demand for lumber and logs. The stronger markets in 2013 have allowed us to maximize margins by improving product mix. Our results in 2013 also benefited from reduced lumber freight costs and export taxes, as well as the beneficial impact on our revenues of the relative weakening of the Canadian dollar against the US dollar, which was, on average, 3% lower during 2013. Partially offsetting these positive improvements to adjusted EBITDA were the impacts of lower log harvest levels and the resulting lower shipment volumes of logs, higher unit log costs, and the negative impact of the weakening Japanese yen against the Canadian dollar.

Lumber revenue in 2013 was $677.2 million, 8% higher than in 2012. This increase was driven principally by increased prices, as we shipped 895 million board feet ("mmfbm") of lumber in 2013, similar to the volume shipped last year. Our average realized price for lumber during 2013 was $58 per thousand board feet, or 8%, higher than in 2012. The increase in housing starts in the US during 2013 supported stronger lumber demand. WRC, whitewood specialty lumber and commodity lumber prices were all higher this year compared to 2012. There was also a geographic mix change year-over-year, as our shipments to China increased by 32% over 2012 levels. China shipments represented 34% of our total shipments compared to 24% last year. Our lumber sales volumes to Canada and Japan fell by 20% and 12%, respectively, in 2013 as compared to 2012.

Log revenues in 2013 declined by $2.5 million, or 1%, from 2012. The benefits of increased log pricing and a favourable product mix change in 2013 over 2012 were offset by the impact of a decline in the volume of log shipments this year. Log sales volumes declined by 661,000 cubic metres, or 19%, in 2013 compared to 2012. The reduction in our volumes sold is mainly the result of our reduced harvest levels in 2013 compared to 2012, although this impact was partially mitigated by increased log purchases. Log market demand was stronger in 2013 compared to 2012, and, combined with the continued tight log supply on the coast, prices were driven higher. The overall average price of logs sold in 2013 was $15 per cubic metre, or 21%, higher than in 2012. In addition to higher log prices, our overall average price realized further increased because of a favourable change in the mix of our sales. As markets improved during 2013, we were successful in directing lower valued logs into higher value end uses, which has contributed to enhancing our adjusted EBITDA.

Sales of by-products in 2013 were $56.5 million, or $1.8 million higher than in 2012. Average chip prices realized were 6% higher in 2013 compared to 2012, the benefit of which was partially offset by 3% lower volume sold in 2013. Contributing to the price increase was the beneficial mix impact of selling proportionately higher volumes of more expensive hemlock/balsam chips. In general, chip prices are tied by a formula to the market price of pulp, and for 2013 these pulp prices were higher than 2012 (northern bleached softwood kraft prices delivered to China were 5% higher in 2013 than in 2012).

Total freight costs in 2013 were $82.0 million, which is $6.2 million less than those incurred for 2012. Our freight costs for lumber were reduced by $7.7 million, which was partly offset by an increase in log freight costs of $1.5 million. Our shipment volumes of lumber were almost identical year-over-year, with the cost reduction resulting from a change in the geographic mix of our shipments. In 2013, we shipped 59% of our lumber within the North American market compared to 54% in 2012, with a corresponding reduction in direct shipment levels to the Asian market, which incur higher freight costs. The increase in log freight costs was the result of more shipments being made during 2013 with terms under which Western was responsible for the freight costs compared to 2012.

Primary saw mill production for 2013 was 772 mmfbm, 5% higher than during 2012. The increased production level was achieved by operating 3% more shifts this year. In addition, our mill productivity, measured on a production per shift basis, increased by 2% over 2012, even though our production per shift in 2013 was negatively impacted by downtime taken at our Saltair sawmill to install new equipment. Through 2013, we faced the challenge of a constrained log supply on the coast, but addressed the issue by running a broader species and quality mix. Despite running this broader mix, productivity and lumber recoveries both showed improvement year-over-year.

The total log harvest for 2013 was 5.4 million cubic metres, which was 11% lower than the 2012 harvest level of 6.1 million cubic metres. The decline in 2013 reflects accelerated harvesting undertaken in 2012 in order to capture previous year's undercut volumes. This volume reduction led to an increase in our fixed per unit costs of harvest production, and to meet our operational needs in 2013 we increased our log purchase program. We increased log purchases on the open market, entered various standing timber purchase agreements, and established joint venture arrangements with third parties, including First Nations, to gain access to additional logs. Our overall harvest costs were higher in 2013 as a result of increased spur road construction costs and additional engineering costs. Partially offsetting these increased costs were proportionately lower volumes of high cost heli-logging this year compared to last year, lower levels of fixed rate contract harvest volume in 2013, and increased use of our own crews for harvesting.

Selling and administration expenses in 2013 were $33.0 million (2012: $28.6 million). The $4.4 million increase is largely because of increases in performance related employee compensation. As a percentage of revenues our selling and administration costs were 3.4% for 2013, an increase from the 3.1% reported in 2012.

Reversal of impairments

During 2013, Western recorded a reversal of previously recognized impairments of $8.2 million on its Crown timber tenures (2012: $12.9 million). This resulted from an annual value-in-use assessment performed in December 2013 on the carrying amount of the Crown tenures. The reversal was the result of increases to the net present values of projected cash flows generated from the Crown tenures, primarily due to the beneficial impact of improved markets for our products.

Operating restructuring items

In 2013, Western recorded restructuring expenses of $0.7 million, all of which related to severance costs. This compares to an equivalent expense of $4.8 million in 2012, the majority of which related to $4.0 million incurred to restructure harvesting operations in TFL 44 in order to improve operating performance in the future. The balance of $0.8 million related to severance costs incurred with respect to departmental reorganizations.

Finance costs

Finance costs of $5.4 million for 2013 were $0.9 million less than the $6.3 million incurred in 2012. The decrease was primarily the result of the lower interest expense on our revolving term loan facility, which resulted from lower average interest rates in 2013, and lower average outstanding debt levels during 2013 compared to 2012. During 2013, Western repaid $45.0 million on the revolving term loan from surplus cash primarily generated from operations, and in June 2013, drew $100.0 million on the extended revolving term loan to finance the share repurchase. Also, fewer deferred financing costs were amortized in 2013 compared to last year.

Other income

Other income of $0.3 million was reported in 2013, a decrease of $2.5 million from the income of $2.8 million earned in 2012. The most significant items that comprised the other income of $0.3 million in 2013 were net gains on non-core property sales of $1.5 million, mostly offset by building demolition costs incurred during the year. In 2012, other income was comprised of net gains on non-core asset disposals in the year of $1.1 million, proceeds of $1.1 million received as final compensation from the Province of British Columbia resulting from the creation of new protective areas in our Haida Gwaii and Central Coast operating areas, and other miscellaneous items aggregating to $0.6 million.

Income taxes

At December 31, 2013, the Company and its subsidiaries had non-capital tax losses carried forward totaling approximately $308.2 million, which expire between 2027 and 2033, and can be used to reduce taxable income. In addition, the Company has capital losses of approximately $121.7 million, which are available indefinitely, but can only be utilized to offset future tax based capital gains. During 2013, the Company recognized a deferred income tax asset of $26.5 million with respect to part of its non-capital tax losses, as management has concluded that it is probable that future taxable profits will be available against which this tax asset can be utilized. While the Company anticipates realizing the additional benefit of the remaining unrecognized loss carry forwards and other deferred income tax assets, the timing of such recognition will depend on on-going assessments of economic conditions, and that the likelihood of the Company’s ability to utilize the losses is probable.

Net income from continuing operations

Net income from continuing operations in 2013 increased from the prior year figure by $96.6 million to $125.9 million. This increase is primarily driven by the $77.8 million increase in adjusted EBITDA in 2013 as discussed above. In addition, the 2013 net income includes the recognition of a deferred income tax asset and associated income tax recovery of $26.5 million as described above, whereas none was recognized in 2012. Other positive variances include lower restructuring costs by $4.1 million in the current year and lower finance costs by $0.9 million.

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. In 2013, the Company incurred a net expense of $0.5 million with respect to the site, compared to $1.1 million in 2012. The reduction in the net expense in the current year is primarily attributable to revenue from selling hydro-electric power generated at the site, which commenced in the second half of 2013.

In January 2013, Western entered into a conditional agreement for the sale of the site for a gross purchase price of $25.5 million. Closing of the sale is subject to certain conditions, and Western is responsible for the satisfactory remediation of the property to applicable environmental standards. After incurring the estimated required remediation costs, Western anticipates 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

We continued to make progress on our margin focused growth strategy in 2013. Our strong balance sheet and free cash flows allowed us to complete a $100.0 million share repurchase in the third quarter of 2013, and initiate a regular quarterly dividend. At the same time, we continued with the implementation of our strategic capital investment plan. We will continue to implement our margin focused growth strategy by maximizing product margins and increasing our sales volumes in an improving global market for our products. Our long term strategic goals for the Company remain:

- Fully utilizing our Allowable Annual Cut and ensuring the highest margin end use for our fibre resources;
- Optimizing utilization of our sawmill assets, realizing full economies of scale;
- Growing market share in traditional and developing markets; and
- Generating substantial free cash flow that justifies reinvestment and further growth.

Western's business plan for 2014 is focused on prudently growing the business to meet rising demand. The improved log and lumber markets are creating an opportunity for Western to increase margins as we utilize our flexible manufacturing base to refine our product mix. As demand improves, we will direct our sale volumes to the best margin opportunities.

Market Outlook

The steady recovery of the US new home construction segment and continued growth in demand for forest products in China is expected to drive increased consumption in 2014. Constrained supply from traditional sources such as BC's mountain pine beetle impacted regions and reduced allowable cut levels from eastern Canada will lead to improved pricing and higher degrees of volatility.

An improving US home construction segment has increased demand for our WRC product line, particularly in the repair and renovation sector. Sales volumes and values of WRC, which typically decline in the fourth quarter, have remained strong. Heading into the 2014 building season, the combination of increased seasonal demand and tight inventories is expected to support improved prices for WRC. Improved demand in the US for all lumber products is expected to reduce the likelihood of export taxes being applied to all shipments to the US, including WRC, in 2014.

Home construction in Japan accelerated in 2013, driven by government stimulus and an increase in consumption tax. Well balanced inventories should support the market through the first part of 2014. We expect our improved cost structure to allow us to increase volumes into the market in 2014.

Improving demand in North America will create greater opportunity for specialty industrial and appearance products. The increased demand is expected to drive prices higher, increasing market opportunities. Volumes are also expected to increase from 2013 levels.

Our commodity lumber segment benefited from increased demand from both North America and China in 2013. Our realized pricing improved by more than 30% compared to the 19% increase in the North American benchmark SPF commodity price. We expect demand to continue to improve in 2014 for our commodity products as growth in the US housing market is reviving product demand in that market. Demand in China is expected to remain strong due to additional government infrastructure and urban housing investments.

Strong demand in both export and domestic log markets is expected to continue through 2014. Growth in China, in particular, will drive increased demand for export logs. Log sales volumes are expected to increase in 2014 along with our aggressive procurement strategy. Market fundamentals for pulp logs have improved marginally, and we will continue to maximize sawlog production from pulp log sorts to increase our margins.

Strategic Capital Plan Update

We previously announced a $125.0 million strategic plan focused on reducing costs, increasing efficiencies, and improving product flexibility. To date, we have initiated $50.0 million of these investments and expect to announce a further $25.0 million in additional investments in 2014.

We completed the first phase of our $38.0 million Saltair sawmill project during 2013. To date, approximately $27.0 million of our planned improvements have been invested. This phase was focused on the back end of the mill and included a new sorter, trimmer and edgers. The installation was completed safely and on budget, and performance continues to improve towards target levels. The next phase of the project will involve the installation of a new log in-feed, with installation commencing in the second quarter of 2014. Once complete, our Saltair sawmill will become the largest single line sawmill on the BC coast.

Installation of the Alberni Pacific sawmill autograder took place in November 2013, completing the first phase of this project. It is expected to deliver higher man-day productivity through increases in operating speeds and lumber recoveries, as well as improve the accuracy of lumber grading. To date, we have invested $3.8 million of the $6.7 million project. The second phase will incorporate a new lumber trimmer with completion targeted for the fourth quarter of 2014. We will look to implement the new autograding technology at other mills.

Our Cowichan Bay planer upgrade was completed in December 2013, and is performing well, setting a production record in the first week of operation. A log auto-rotation project is also planned for this mill and will be installed in the late second or early third quarter of 2014.

Non-Core Assets Update

In January 2013, Western announced that it had entered into a conditional agreement for the sale of its former Woodfibre Pulp Mill site for a gross purchase price of $25.5 million. The site, consisting of 212 acres of industrial waterfront land, is located on Howe Sound, southwest of Squamish, BC. Closing is subject to certain conditions, and Western will be responsible for the satisfactory remediation of the property to applicable environmental standards prior to closing the sale. During 2013, both parties agreed to a specific remediation plan, and a deposit of $5.5 million was placed in trust by the purchaser which is non-refundable provided that Western completes the remediation in accordance with the terms of the sale agreement. The remediation program is well underway and is anticipated to be complete in early 2015. After incurring the estimated required remediation costs, Western anticipates receiving net proceeds from the sale and remediation of approximately $18 million.

We will continue to pursue the sale of additional non-core assets as appropriate. Proceeds from such sales will first be directed to reduce or eliminate long-term debt with any surplus being used to provide additional liquidity.

The Company's Annual Financial Statements and Management's Discussion and Analysis for 2013 containing discussion and analysis for the fourth quarter and full year as well as the Annual Information Form are available on SEDAR and 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. Western uses adjusted EBITDA as a benchmark measurement of our own operating results and as a benchmark 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 is 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 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 adjusted EBITDA in the same manner, adjusted EBITDA as calculated by Western may differ from adjusted EBITDA 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 Appendix A to 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:
Friday, February 21, 2014 at 8:00 a.m. PST/11:00 a.m. EST

Western Forest Products Inc. will host a teleconference call on **Friday, February 21, 2014 at 8:00 a.m. PST/11:00 a.m. EST**.

To join the conference call, dial:
From Toronto: 416-340-8527
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February 20, 2014

Letter to Shareholders

To Our Shareholders,

I am pleased to report that our record financial results in 2013 enabled us to deliver superior returns to our shareholders while achieving a B.C. industry-leading Medical Incident Rate of 1.36.

We capitalized on improving markets, growing our EBITDA margins by 140%, realizing a record $128.8 million of adjusted EBITDA. We continued the implementation of our balanced approach to capital allocation by using $110.7 million generated from operations to build our business, investing $59.0 million in capital improvements while distributing more than $15 million in dividends to our shareholders. In addition, we paid down $45.0 million of long term debt and used our strong balance sheet to repurchase $100.3 million of our shares.

In the past year, our ownership was transformed through three secondary share offerings. New shareholders now comprise more than 40% of the ownership of the Company. I would like to take this opportunity to welcome these new shareholders and emphasize our on-going commitment to delivering superior long term returns.

Western's 2013 financial highlights included:

- Adjusted EBITDA for the year of $128.8 million, the highest in company history
- Shareholder returns of 47%
- Liquidity remained strong at $125.9 million

In addition to these positive financial results, Western realized several operational achievements in 2013 including:

- B.C. industry-leading Medical Incident Rate of 1.36, the lowest in company history
- Margin improvement program delivered a further $14.2 million in annualized benefits
- Sawmill production was 5% higher and productivity per shift improved by 2%

I am pleased to announce that our Board of Directors has appointed Lee Doney as Chairman of Western's Board. Mr. Doney joined the Board in July 2004, and has served as our Vice-Chair since November 2008. During this time, he helped lead the successful execution of our business strategy and provided valuable strategic guidance and oversight to management.

Dominic Gammiero will step down from our Board after serving as Chairman since 2009, as a Director since 2006 and a member of the senior executive team since 2008. I want to recognize and thank Dominic for his extraordinary vision and innovative leadership, which resulted in the transformation of Western into one of Canada's leading forest products companies. Indeed, Dominic is credited with restructuring our operations, redefining our business and guiding our organization to deliver significant and sustained value to our shareholders.

Our outlook continues to be very positive. The recovery in the U.S. new home segment is well underway and is underpinning rising global demand for lumber and logs. U.S. housing starts increased more than 18% in 2013 and are projected to grow a further 22% this year. Improving lumber demand in the U.S. will drive pricing for our commodity and Cedar product lines. Our revenues will further benefit from the weakening Canadian dollar.

Growth in China is expected to continue. Forest product demand in China is being supported by large scale government investments in infrastructure and housing. With both China and the U.S. competing for a constrained supply of lumber and logs, we can expect prices to rise further in 2014.

We also expect to see increased demand and higher pricing for specific products in Japan. As the U.S. market improves, we anticipate U.S. Pacific Northwest suppliers will redirect some volume back to their home market which will create opportunity for Western. Our improved cost structure, resulting from our capital investments, will allow us to increase volume into this market.

Our 2014 business plan is focused on leveraging improved markets to deliver even better financial results. We will fully utilize our log markets and flexible lumber manufacturing base to refine our product mix to drive margins higher. We are well positioned to capitalize on the spring building season with an improved log inventory compared to last year.

We are pursuing growth by accessing additional log supply. Internally, we will increase the availability of logs from our own tenures by recovering more sawable fibre from low value pulp logs. Externally, we will access more volume by building upon our mutually beneficial partnerships with First Nations and by increasing purchases. Our ability to attract external log volume is made possible by our capital investments, which have delivered a more competitive operating platform.

Growth will also come from our strategic capital investments which are performing above expectations. In 2014, we will benefit from the first phase of our Saltair sawmill project, the autograder at our Alberni Pacific sawmill, and the upgraded planer at Cowichan Bay. Encouraged by the initial returns from these projects, which will surpass 30%, we anticipate investing a further $40 million in targeted high return strategic capital projects in 2014.

As we grow the business, we will remain an industry leader with respect to safety. We are proud of the progress we have made in safety and remain resolute in our commitment to further improve the safety of our operations by identifying and managing hazards while implementing improved standards. Along with industry peers, we are developing a best-in-class suite of solutions to manage the hazards of sawmill dust. In 2014, we will continue to invest our resources in training, particularly for new workers joining the industry.

We are confident we will continue to improve our financial results. We continue to build a strong management team that is committed to delivering improved results and shareholder value. Coupled with our strong balance sheet and margin-focused growth strategy, we are well positioned to capitalize on increased demand for our log and lumber products.

I would like to thank our shareholders, customers, employees and communities for their continued support of Western Forest Products.

Don Demens
President and CEO