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FOR IMMEDIATE RELEASE

TSX: WEF

Western Reports First Quarter 2011 Results

May 9, 2011 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) (“Western” or “the Company”) today announced results for the first quarter of 2011. The Company reported EBITDA of \$8.2 million for the first quarter of 2011 compared to EBITDA of \$5.9 million for the fourth quarter of 2010 and \$9.3 million for the first quarter of 2010.

Q1 2011 HIGHLIGHTS

- Lumber shipments increased to 183 million board feet which was 24% higher than Q1 last year on strong demand from Asian Markets
- Log shipments up 22% from Q1 last year and prices higher by 15% reflecting strong pulp markets
- EBITDA of \$8.2 million from improved shipments and higher operating rates offset partially by negative impact of a strong Canadian dollar
- Completed \$25.3 million in non-core asset sales contributing to \$31.2 million in debt repayments In Q1
- Balance sheet and liquidity positions continue to strengthen with net debt to capitalization reduced to 12% and \$95.2 million in total liquidity availability.

“I am pleased to report another positive quarter. Despite continued challenging market conditions, we were again able to generate a positive EBITDA” says Dominic Gammiero, Chairman and Chief Executive Officer.

Product demand in most of the Company’s markets has strengthened, but still remains well below historical trend levels. Current indications are that the US housing market will take longer to recover than had earlier been anticipated. Also contributing to the challenging operating environment has been the negative impact on our revenues of the continuing increase in the strength of the Canadian dollar relative to the US dollar. The average exchange rate for the first quarter of 2011 was 5% higher than the average in the first quarter of 2010. In addition, severe weather conditions during the first quarter of 2011 restricted our logging operations in higher elevations.

We have paid down a further \$31.2 million of our debt, partly from improved cash generated from operations and also from additional non-core asset sales made in the quarter. Our liquidity continues to improve and

balance sheet is stronger with net debt down to 12%. Our focus continues to be on reducing costs still further and enhancing the operating efficiencies of all of our activities, while further strengthening our balance sheet.

Net loss for the first quarter of 2011 was \$1.0 million (\$0.00 per share), on sales of \$180.8 million, which compared to a net income reported in the first quarter of 2010 of \$9.1 million (\$0.02 per share) and a net income reported for the fourth quarter of 2010 of \$20.2 million (\$0.04 per share).

FINANCIAL SUMMARY

| <i>(millions of dollars except where noted)</i> | Three months ended March 31, | |
|--|---------------------------------|----------|
| | 2011 | 2010 |
| Sales | \$ 180.8 | \$ 138.3 |
| EBITDA | 8.2 | 9.3 |
| EBITDA as % of sales | 4.5% | 6.7% |
| Operating income (loss) | 2.0 | 2.7 |
| Net income (loss) from continuing operations | (0.7) | 9.7 |
| Net income (loss) | (1.0) | 9.1 |
| Basic and diluted net income (loss) per share (in dollars) | 0.00 | 0.02 |
| Net Debt at March 31 | 45.2 | 99.8 |
| Liquidity at March 31 | 95.2 | 84.6 |

First quarter, 2011

The net loss for the first quarter of 2011 was \$1.0 million, which is a decline from the net income of \$9.1 million reported a year earlier, and a decline of \$21.1 million compared to the previous quarter. The first quarter of 2010 results benefited from the inclusion of a net \$8.9 million one-time gain that arose from the reorganization of WFP Forest Products Limited. Excluding this item, the net loss of \$1.0 million for the first quarter of 2011 is similar to the 2010 result. The fourth quarter of 2010 includes a gain of \$15.8 million being primarily the reversal of impairments on our crown timber tenures and the change in fair value of our and biological assets which was required as a result of our transition to reporting under IFRS. Excluding this item, the net income for the first quarter of 2011 was \$5.3 million below the previous quarter.

EBITDA of \$8.2 million reported for the first quarter of 2011 was marginally lower than the \$9.3 million reported in the same quarter last year, and a \$2.4 million improvement over the \$5.8 million earned in the fourth quarter of 2010. The EBITDA result for the first quarter of 2011 reflects increased operating levels, higher sales volumes and prices for most products and a more favorable mix of sales compared to the first quarter of 2010. However, these positive variances were offset by a negative impact of foreign exchange, increased cost of sales, higher freight costs and higher selling and administrative expenses in the current quarter.

The operating results for the first quarter of 2011 incorporated shutdown costs that were \$3.8 million less than those incurred in 2010, as production was increased to meet demand. Lumber production was 15% higher in the first quarter of 2011 compared to the first quarter of 2010 and our sawmills operated at 78% of capacity in the first quarter of 2011 compared to 56% of capacity in the same quarter of 2010. The majority of this increase in operating capacity related to the Nanaimo mill which ran for the first quarter of 2011, but was idle in the same quarter in 2010 and the Ladysmith mill which ran at approximately 70% of capacity during the quarter but was also idle in the first quarter of 2010. Demand for logs in the first quarter of 2011 was relatively strong, whereas log production was 2% lower in the first quarter of 2011 as weather related issues, particularly in March, hampered production.

As previously mentioned, our operating results were negatively impacted by an approximate 5% strengthening in the value of the Canadian dollar relative to the US dollar from the first quarter of 2010, which reduced our Canadian dollar proceeds received on US dollar denominated sales.

Total sales dollars increased by 31% in the first quarter of 2011 compared to 2010 due primarily to increased volumes of shipments. The negative effect of the stronger Canadian dollar on revenues in the current quarter tempered this increase.

Lumber sales revenues increased by 26% when compared to the first quarter of 2010 primarily because of higher shipment volumes. Lumber shipments increased by 24% to 183 million board feet in the first quarter of 2011. Average lumber prices realized were marginally higher in the current quarter at \$705 per thousand board feet, compared to \$695 in the first quarter of 2010. Lumber sales values in the first quarter of 2011 have seen modest price increases in all major product categories, particularly whitewood products, when compared to the same period last year. In the first quarter of 2011, 29% of lumber sales were made to China compared to 22% in the same period in 2010.

Log sales revenues in the first quarter of 2011 increased by 48% compared to the same period last year. The increase is due to a 22% increase in the volume of logs sold and average log prices realized in the first quarter of 2011 being 15%, or \$9 per cubic metre, higher than a year ago. Overall log demand for the quarter was strong, relative to prior quarters. Increases in volumes sold were achieved in our peeler and shingle log sales in North American markets as well as sales to Korea and China. Domestic log prices, with the exception of cedar sawlogs, have generally increased since the first quarter of 2010 as a result of a strong pulplog market and supply shortages for most log species. The volume of pulplog sales was lower in the current quarter which reflects a reduced supply of log volume from both internal and external sources. The increase in the overall average log price realized is partly because of higher export prices, combined with a higher value mix of logs sold domestically.

By-product revenues increased by \$3.9 million, or 34%, in the current quarter compared to the first quarter of 2010, mainly because of increased chip production and higher chip prices. Chip production in the first quarter of 2011 increased by 25% over 2010 largely due to increased sawmill production. Chip prices were approximately 10% higher, which is a result of higher pulp mill net realizations which drive the chip pricing formula used in our fibre agreements with certain customers.

Total freight costs were \$21.1 million in the first quarter of 2011, which compared to the first quarter of 2010 cost of \$13.6 million. Shipment volumes of lumber were higher in the current quarter which accounts for approximately \$3.5 million of the increase. The balance of the increase results from an increased proportion of our shipments being made to China in 2011 which incur relatively more costly ocean freight, and also the impact of rising oil prices on general freight rates.

Selling and administration costs increased by \$1.2 million to \$6.6 million in the current quarter compared to \$5.4 million in the first quarter of 2010, primarily because of increased salary costs. The increase in salary costs results from the re-instatement of base salaries following the reductions taken in June 2009, and also the inclusion of performance-based bonus accruals expected for this year. Finance costs decreased from \$3.2 million in the first quarter of 2010 to \$1.9 million in the current quarter. This decrease is primarily attributable to a reduction in the outstanding debt amount over the respective periods which resulted from the proceeds of non-core asset sales being used to pay down debt subsequent to March 31, 2010. Also contributing to this reduction is the benefit of lower interest rates negotiated in the amendments to the loan agreements effected in late December 2010.

Other expenses of \$0.5 million for the first quarter of 2011 comprised net losses on non-core asset sales of \$0.8 million, a gain on the sale of an equity interest in certain real estate of \$2.4 million, an expense incurred of \$2.5 million to amend the terms of certain contractual arrangements, and other items totaling income of \$0.4 million. In comparison, the first quarter of 2010 included other income of \$10.4 million, which primarily related to a receipt in January 2010 of \$8.9 million being the balance of the proceeds related to the establishment of the jointly-owned entity in 2009 with Brookfield Properties Limited, a company related to Brookfield Asset Management Inc.

Markets and Outlook

As expected, the pace of worldwide economic recovery continues to be slow into 2011. Although most signs point to the fact that economic conditions have improved, it would appear that full recovery still will not occur for several years. Despite weak underlying demand in North America, lumber prices remain reasonably strong, reflecting growing shipments of hemlock and douglas fir products in our key markets of Japan and China

Demand for forest products continues to rise in China. The migration of Chinese citizens to cities is driving an affordable housing construction boom there. It is now estimated that twenty million new residences are required each year to keep pace with this trend. At the same time, the growth of the middle class in China is fuelling demand for higher end wood frame construction. With the market weakness in the US, our commodity program continues to focus on China. We expect the Chinese market to be our highest volume lumber market for 2011.

The earthquake and resulting devastation in Japan has created some uncertainty in that market. The focus of the government is initially on clean up, which will then shift towards rebuilding. It is estimated that approximately 150,000 buildings were destroyed in the earthquake and resulting tsunami. The infrastructure damage is expected to slow lumber demand in the immediate term; however in the longer term lumber demand

for our products is expected to increase. Western intends to participate in certain government/industry relief projects that will aid in the rebuilding of Japan.

The US housing market continues to have deep structural issues which will undermine the housing market recovery there. As recently announced US housing data suggests, significant recovery will be delayed due to high unemployment rates, limited access to credit and high foreclosure rates. Another factor reducing margins to US denominated markets is the strengthening of the Canadian dollar. The Canadian dollar has appreciated against the US dollar by 5% over the same period last year. Currently the only US markets for our products that are showing some promise are certain cedar and niche markets, such as door and window products.

Cedar demand in the US has improved as distributors increase their inventories prior to the spring buying season. In addition, competitors in this market segment have recently taken downtime, in response to the strengthening Canadian dollar. The niche business in North America remains strong, with orders being robust through the second quarter of 2011. We will continue to diversify our customer and product base in this market segment.

The Company continues to monitor the request for arbitration made by the US under the Canada/US Softwood Lumber Trade Agreement. A ruling from the London Court of International Arbitration is expected to take up to a year to be released and it is not possible to predict the outcome of their claims, or whether they would potentially have any impact on Western since they are directed specifically at British Columbia interior practices.

Our previously announced plans to embark on a \$125 million strategic capital program are currently underway. The capital options continue to be evaluated and it is expected that we will spend \$10 million on strategic, high return projects over the latter half of 2011. We also plan to spend an additional \$20 million of capital related to maintenance over this period. However such projects will continue to be thoroughly evaluated in light of the economic uncertainty that currently exists. We also continue to focus on cost reduction and balancing our working capital requirements with market demand in the coming months.

Western will continue to pursue opportunities to sell non-core or other land assets at reasonable values. However, our net debt and liquidity situation has dramatically improved over the past year, so the impetus to make such sales has greatly diminished. Any proceeds will first be first directed to reduce or eliminate long-term debt with any surplus used to provide additional liquidity.

The Company's Q1 2011 news release, management's discussion and analysis, condensed consolidated unaudited 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 2010 Annual Report dated February 23, 2011. 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.

(1) Reference is made in this report to EBITDA which is defined as operating income (loss) prior to operating restructuring costs and other income (expenses), plus depreciation of property, plant and equipment, amortization of intangible assets, the reversal of impairments of intangible assets, the change in fair value adjustments to biological assets. Western uses EBITDA as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. EBITDA does not represent cash generated from operations as defined by IFRS and it is

not necessarily indicative of cash available to fund cash needs. Furthermore, EBITDA does not reflect the impact of a number of items that affect our net income (loss). EBITDA is not a measure of financial performance under IFRS, and should not be considered as an alternative to measures of performance under IFRS. Moreover, because all companies do not calculate EBITDA in the same manner, EBITDA as calculated by Western may differ from EBITDA as calculated by other companies.

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 7.4 million cubic metres of timber of which approximately 7.2 million cubic metres is from Crown lands and lumber capacity in excess of 1.5 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.

Contacts:

For further information, please contact:

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Chairman and CEO

Brian Cairo (250) 715-2258
CFO and Corporate Secretary

May 9, 2011

To our Shareholders,

We continued to make positive strides in the first quarter of 2011. Our improvements have led to better financial results which were achieved despite the continued strengthening of the Canadian dollar:

- Positive EBITDA of \$8.2 million in the quarter
- Liquidity of \$95.2 million compared to \$54.5 million a year ago
- Net debt to capitalization reduced to 12% from 30% a year ago
- Sales revenues increased 31% over the first quarter last year
- Sales volumes of all our major product segments increased over last year
- Operating cash flow generated \$35.1 million in the quarter

As a result of the cash generated from operations and sales of non-core assets made in the first quarter of 2011, our balance sheet continues to strengthen.

Our return to profitability continues to come largely as a result of operational initiatives including:

- Operating cost reductions and inventory control
- Refocused marketing and refined product mix to increase sales value
- Improvement in our sales and marketing infrastructure and overall management of our balance sheet

These results were achieved in a tough North American market environment, with a Canadian dollar that was 5% stronger than the US dollar compared to the same quarter last year. Shipments of our lumber products to Japan and China continue to grow and more than offset weak market demand for lumber products in the US. We continue to look for alternative markets, including Asia.

In addition to continued challenging markets, we have had poor weather over the early part of the year, resulting in some log supply shortages. Harsh weather conditions at the end of the first quarter impacted our ability to log, particularly in higher elevation operating areas. This will result in continued log supply issues in the second quarter which we are working to offset.

As we move forward through 2011, Western is in a much stronger position, which will allow us to shift focus to longer term strategic initiatives. We will pursue quick-return capital re-investment opportunities in 2011 to further improve our cost position.

Our priorities for 2011 follow:

- Continue to enhance our safety programs to achieve our ultimate objective of a zero medical incident rate
- Increase market share with our key customers in our core product segments.
- Increase our logging activity by one third
- Continue to expand lumber production to meet market demand.
- Institutionalize our margin improvement and cost reduction programs
- Begin the first phase of our \$125 million capital investment program

We are not as yet where we need to be, and there is more work to be done. That said, we have shown that we can deliver positive results even in a difficult market environment. We at Western are optimistic about our future.

I look forward to reporting our progress throughout this year.



Dominic Gammiero
Chairman and CEO



Lee Doney
Vice-Chairman