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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Reports Second Quarter 2011 Results

August 3, 2011 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the second quarter of 2011. The Company reported EBITDA of $21.9 million for the second quarter of 2011 compared to EBITDA of $8.2 million for the first quarter of 2011 and $21.9 million for the second quarter of 2010.

Q2 2011 HIGHLIGHTS

- EBITDA of $21.9 million in the quarter which is more than double that achieved in the first quarter of 2011 and the seventh consecutive quarter that we have achieved positive EBITDA
- Net debt is reduced to $57.3 million and our liquidity is $111.7 million at the end of the quarter
- Increased mill productivity 4% by the end of the second quarter compared to the same period in 2010
- Sales revenues increased 21% over the second quarter last year
- Sales volumes in each of our major product segments increased over the second quarter last year

"I am pleased with our second quarter 2011 financial results and operating performance considering the ongoing market challenges that still persist in our industry. The operating initiatives outlined in the last quarter are continuing to sustain our profitability in what continues to be a very uncertain business environment" said Dominic Gammiero, Chairman and Chief Executive Officer.

The Company enjoyed strong seasonal demand for its lumber and log products. Log sales revenues reached the highest levels since the second quarter of 2007, driven by a strong Canadian domestic market. In addition, by-product volumes and prices increased, largely driven by a robust pulp market. However, our EBITDA margin for the quarter was adversely impacted relative to the second quarter of 2010 by the negative impacts of the stronger Canadian dollar, increased freight charges and higher log harvesting costs.

Our liquidity position at June 30, 2011 increased to $111.7 million from $95.2 million at the end of the first quarter of 2011, and from $64.1 million a year ago.

Net income for the second quarter of 2011 was $12.1 million ($0.03 per share), on sales of $218.7 million, which compared to a net income reported in the second quarter of 2010 of $9.8 million ($0.02 per share) and a net loss reported for the first quarter of 2011 of $1.0 million (nil per share).

FINANCIAL SUMMARY

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars except where noted)	2011	2010	2011	2010
Sales	$ 218.7	$ 181.5	$ 399.5	$ 319.8
EBITDA	21.9	21.9	30.1	31.2
EBITDA as % of sales	10.0%	12.1%	7.5%	9.8%
Operating income before restructuring items and other income (expenses)	14.7	14.4	16.7	17.1
Net income from continuing operations	12.3	10.1	11.6	19.8
Net income	12.1	9.8	11.1	18.9
Basic and diluted earnings per share (in dollars)	0.03	0.02	0.02	0.04
Net Debt at June 30			57.3	123.4
Liquidity at June 30			111.7	64.1

Second quarter 2011

Lumber sales revenues increased by 9% when compared to the second quarter of 2010 primarily due to higher shipment volumes. Despite the uncertain global economic conditions, market demand for the majority of our lumber products has shown a gradual improvement. Lumber shipments increased by 11% to 210 million board feet in the second quarter of 2011. The geographic destination of the lumber was generally consistent with the prior year, with 34% of lumber volume being shipped within Canada, 24% going to Japan, 23% to China, and 14% to the United States. Lumber sales values in the second quarter of 2011 have seen modest price increases in most major product categories, particularly commodity products, when compared to the same period last year. However, in the second quarter of 2011, the overall average lumber price realized was marginally lower at $683 per thousand board feet, compared to $694 in the same quarter of 2010. The decrease is largely attributable to the mix of lumber products sold, particularly lower volumes of high value cypress, rather than lower prices being realized, and also by the impact of the stronger Canadian dollar.

Log sales revenues in the second quarter of 2011 increased by 58% compared to the same period last year. The increase is due to an 18% increase in the volume of logs sold and average log prices realized in the second quarter of 2011 being 26%, or $15 per cubic metre, higher than a year ago. Overall log demand for the quarter was strong, relative to prior quarters, in both our domestic and export markets. Increases in volumes sold were achieved in our pulp log, peeler and shingle log sales in North American markets as well as export sales to Korea and China. Log prices have increased since the second quarter of 2010 largely because of a strong domestic pulplog market and supply shortages for most log species. Supply shortages have resulted from severe winter weather conditions through the first half of the year, with snow pack restricting harvest levels.

By-product revenues increased by $3.6 million, or 26%, in the current quarter compared to the second quarter of 2010, mainly because of increased chip production and higher chip prices. Chip production in the second quarter of 2011 increased by 25% over 2010 largely due to increased lumber production at our sawmills. 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 of our customers.

EBITDA of $21.9 million reported for the second quarter of 2011 was consistent with the EBITDA reported in the same quarter last year, and a $13.7 million improvement over the $8.2 million reported in the first quarter of 2011. The EBITDA result for the second 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 second 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 second quarter of 2011 incorporated temporary shutdown costs that were $1.2 million less than those incurred in 2010, as production was increased to meet demand. Lumber production was 11% higher in the second quarter of 2011 compared to the second quarter of 2010 and our sawmills operated at 86% of capacity in the second quarter of 2011 compared to 63% of capacity in the same quarter of 2010. The majority of this increase in operating capacity relates to the Nanaimo and Ladysmith mills which ran for the second quarter of 2011, but were idle in the same quarter in 2010. Mill productivity, measured on a volume produced per shift basis, improved 4% by the end of the second quarter of 2011 compared to the same period in 2010. The heavy snowfall at the end of the first quarter of 2011 hampered log harvesting into the early part of the second quarter. Log harvesting costs were higher in the second quarter of 2011 compared to the same quarter last year because of increased spending on spur roads this year and also because a greater percentage of our logging activities were in higher cost locations.

As previously mentioned, our operating results were negatively impacted by an approximate 6% strengthening in the value of the Canadian dollar relative to the United States dollar from the first quarter of 2010, which reduced our Canadian dollar proceeds received on United States dollar denominated sales (the major share of our lumber sales are denominated in United States dollars, including those to China).

Total freight costs were $24.1 million in the second quarter of 2011, which compared to the second quarter of 2010 cost of $17.9 million. Shipment volumes of lumber were higher in the current quarter which accounts for the majority of the $6.2 million 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 $0.9 million to $6.7 million in the current quarter compared to $5.8 million in the same quarter of 2010, primarily because of increased salary costs.

Year to date, June 30, 2011

Total sales revenues for the first six months of 2011 were $399.5 million, an increase of 25% over the sales revenues for same period in 2010. Lumber, log and by-product sales were higher in the current six months period by 17%, 54% and 30% respectively. Higher shipment volumes for all primary product categories, logs in particular, contributed most of the increase. This increase was a function of stronger market demand for logs and lumber. Our lumber production was 13% higher in the first six months of 2011 compared to 2010, which led to greater chip production levels thus increasing by-product revenues. Increased sales prices of logs and by-products were the other key contributors to the revenue increase. Partially offsetting these was the negative impact on revenues of the stronger Canadian dollar in the current six month period compared to 2010. The Canadian dollar was, on average, 6% stronger relative to the US dollar over the respective periods.

EBITDA for the six months to June 30, 2011 was $30.1 million which is marginally less than the EBITDA for the same period of 2010 of $31.2 million. Despite the benefits of the revenue increases achieved for the six months to June 30, 2011 compared to the six months to June 30, 2010, offsetting this were increases to our cost of sales including log costs, increases in freight costs and selling and administration costs over the respective periods.

Non-operating income and costs

Finance costs decreased from $3.4 million in the second quarter of 2010 to $1.8 million in the current quarter. This decrease is primarily attributable to a reduction in the outstanding debt amount over the respective periods resulting 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 $0.1 million for the second quarter of 2011 and other income of $0.3 million in the second quarter of 2010 relate primarily to net losses and gains respectively on various non-core asset sales. In the first quarter of 2011 other expenses of $0.5 million related to a gain on the sale of an equity interest in certain real estate properties of $2.4 million, an expense incurred of $2.5 million to amend the terms of certain contractual arrangements, and other items totaling expenses 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 a jointly-owned entity in 2009.

Markets and Outlook

The worldwide economic outlook remains uncertain with ongoing concerns about the potential impact of the European sovereign debt crisis, and continuing weakness in the United States economy, in particular. While some signs point to the fact that global economic conditions have improved, significant concern remains.

With the market weakness in the United States, our commodity lumber program continues to focus on China. China is expected to be our highest volume export lumber market for 2011, with strong demand for both lumber and logs. However, the Chinese government has recently undertaken a number of measures to slow their economy by restricting credit. These restrictions may impact the pace of residential development in China and ultimately lumber demand. We do anticipate some slow-down of sales growth in this market for the balance of 2011, as a result of such restrictions and seasonal demand slow-down.

We expect that the severe infrastructure damage caused by the earthquake and resulting tsunami will continue to slow lumber demand in Japan in the third quarter. As a result, we anticipate taking some market related down-time at certain mills in our system during the third quarter. However, we expect that most of Japan's infrastructure constraints will be resolved during the third quarter and that demand for lumber will start to improve in the fourth quarter. Western has participated in certain co-sponsored government and industry relief projects that will aid in the rebuilding of Japan.

Despite recent increases in new housing starts in the United States, the housing market there continues to have deep structural issues which preclude any significant housing market recovery. Current reports indicate that job growth is slowing in most regions (especially areas with high concentrations of government employees). Existing home sales continue to languish with increasing numbers being distress sales. There are also indications of an increasing trend to rent rather than buy, which means more emphasis on multi-unit home construction rather than new single unit dwellings.

North American demand for specialized commodities such as treated products and timbers is expected to decline for the balance of the year in line with seasonal expectations. We expect to increase our specialized commodity sales to China in the third and fourth quarters to partially offset this trend.

The seasonal upswing in cedar demand peaked in the second quarter. Cedar sales volumes are expected to fall for the balance of the year due to a weak United States housing market and seasonal slowdown in renovations.

Our sales into the niche lumber markets in North America and Europe are expected to be stronger over the second half of the year as we expect to have additional high grade log supply in the third quarter which will help increase our niche product sales. We continue to diversify our customer and product base in this market segment.

As previously announced, we plan on investing $125 million of strategic capital into Western's operations over the next several years. We continue to work through our strategic plan and evaluate the best opportunities to inject capital into the business. We plan to commence strategic, high return projects totaling over $3 million in the latter half of 2011. We will also focus on improving our product margins through a number of non-capital initiatives, while at the same time ensuring that we balance our working capital requirements with market demand in the coming months.

Western will continue to pursue opportunities to sell non-core assets. However, our net debt and liquidity situation has significantly improved over the past year. Any proceeds will first be used to reduce the revolving term loan and then any surplus will be used to provide additional liquidity.

The Company's Q2 2011 news release, management's discussion and analysis, unaudited condensed consolidated 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 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.

Note: Reference is made in this report to EBITDA which is defined as operating income (loss) prior to operating restructuring items and other income (expenses), plus amortization of property, plant and equipment, amortization of intangible assets, the reversal of impairments of intangible assets, and 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 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:

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Chairman and CEO

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

August 3, 2011

To our Shareholders,

We are pleased with our second quarter 2011 financial results and operating performance considering the ongoing market challenges that persist in our industry. The operating initiatives outlined in our previous report to you are continuing to sustain our profitability in what continues to be a very uncertain business environment.

The following are some key highlights from our second quarter performance:

- EBITDA of $21.9 million in the quarter which is more than double that achieved in the first quarter of 2011 and the seventh consecutive quarter that we have achieved positive EBITDA
- Net debt is reduced to $57.3 million and liquidity is $111.7 million at the end of the quarter
- Increased mill productivity 4% by the end of the second quarter compared to the same period in 2010
- Sales revenues increased 21% over the second quarter last year
- Sales volumes in each of our major product segments increased over last year

Despite a strengthening Canadian dollar, increased log and freight costs, and continued weakness in the United States home building sector, we were able to generate EBITDA of $21.9 million. This result primarily reflects our ongoing focus on operating cost reductions, streamlining business processes and product lines that have been put in place over the last few years.

In addition, a strong pulp market led to higher chip revenues and higher log prices as pulp companies increased their demand for lower value sawlogs. Export markets for logs were also strong in the quarter. While log exports remain a relatively minor product line for Western, the use of log exports has allowed us to increase our log harvesting which has generated additional logs for our mills, our domestic log customers and additional employment for our employees and contractors.

There has been considerable focus on log exports. We would like to take the opportunity to explain Western's view on log exports as it pertains to our company, and the net benefit they bring to both Western and the communities in which we operate:

- Log exports represent 10% of our total log harvest and purchase volumes, and only 7% of our total sales revenues
- This has allowed us to profitably harvest an additional 1.5 million m^3 which we have consumed internally, generating more pulp chips or sold to domestic customers as pulp logs and veneer logs
- Our annual payroll year over year is expected to increase by $30 million, which equates to an additional 460 jobs in our mill and logging operations
- These are only the direct jobs in Western's operations and do not include spin-off effects of additional contractor jobs, tax revenues and a number of other community benefits.

Lumber shipments for the quarter were supported by seasonal demand in Canada and continued strength for our lumber products in Japan and China which more than offset ongoing weak demand for lumber products in the US. Our flexible operating platform allowed us to take advantage of alternate market opportunities as they became available.

We do, however, anticipate a slowing of business in the Chinese market over the balance of the year. The Chinese government has started to tighten access to credit which has created some uncertainty about lumber demand in China for the balance of the year. Similarly we anticipate a slowdown in the Japanese market in the third quarter but expect demand to rebound through the fourth quarter.

Within our operations we will continue to develop our non-capital margin improvement programs to extract the maximum margin from our existing business. We are confident that such programs will continue to improve our financial results, despite the market weakness that currently exists in our traditional markets.

The priorities for the balance of 2011 that we highlighted in our Q1 report remain:

- 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 with a plan to harvest 5.8 million cubic metres this year (a 25% increase over 2010)
- Continue to expand lumber production to meet market demand; our current plan is to ship 820 million board feet for the year
- Institutionalize our margin improvement and cost reduction programs; we have identified an additional $25 million of non-capital margin improvement programs which we expect to capture over the next few years
- The first phase of our $125 million capital investment program is underway

Our balance sheet remains very strong, further bolstered this quarter as a result of the cash generated from operations. With our balance sheet in order, we continue on our strategic plan that will see us invest approximately $125 million in asset modernization over the next several years. The capital plan will be focused on reducing costs in our mills and increasing the sales value of our products.

We would like to take this opportunity to announce the appointment of Don Demens as our Chief Operating Officer. Don has been responsible for Western's sales and manufacturing activities for the past two years and has been a key player in our turn-around, changing the business culture and business model. Don will continue to align our Sales and Manufacturing units with our Timberlands and Fibre Optimization operations in our drive to improve companywide results.

While we are pleased to report that our safety record has improved over last year, sadly we have to report two contractor fatalities that occurred on our licenses since our last report. We must learn from these tragic events and ensure that we improve our safety performance both within Western operated areas and within our contractor community.

Dominic Gammiero

Chairman and CEO

Lee Doney

Vice Chairman