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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Reports Third Quarter 2011 Results

November 10, 2011 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the third quarter of 2011. The Company reported EBITDA of $18.1 million for the third quarter of 2011 compared to $11.8 million for the third quarter of 2010.

Q3 2011 HIGHLIGHTS

- EBITDA of $18.1 million in the quarter which is a significant increase over the $11.8 million achieved in the third quarter of 2010 and is now the eighth consecutive quarter that we have achieved positive EBITDA.
- Net debt is reduced to $63.2 million and our liquidity is $116.0 million at the end of the quarter.
- Mill production was 3% higher than the previous quarter and 27% higher than a year ago. Productivity in the quarter was 1.4% higher than the same quarter of 2010.
- Sales revenues increased 33% over the third quarter last year.
- Sales volumes in each of our major product segments increased over the third quarter last year.

"I am pleased to announce another strong quarterly performance both in terms of our financial results and our operating performance. Again I would like to emphasize that we are achieving this despite the less than favourable market conditions that persist in our industry" said Dominic Gammiero, Chairman and Chief Executive Officer.

Compared to the same quarter in 2010 the Company increased its production and sales volumes levels as a result of stronger demand for its lumber and log products. Log sales revenues increased significantly as a result of increased volumes, and also reflected improved margins, driven by both a strong Canadian domestic and export market. However, while our EBITDA margin for the quarter was higher than the same quarter last year, it was tempered by the negative impacts on revenues of the stronger Canadian dollar relative to the US dollar. EBITDA was also negatively impacted by the effects of the strengthening of the Yen during the current quarter on our currency forward contracts taken out, which required us to recognize an unrealized loss of $6.5 million. Our liquidity position at September 30, 2011 increased to $116.0 million from $111.7 million at the end of the second quarter of 2011, and from $66.2 million a year ago.

Net income for the third quarter of 2011 was $7.6 million ($0.02 per share), on sales of $233.5 million, which compares to a net income reported in the third quarter of 2010 of $2.1 million ($nil per share) and a net income reported for the second quarter of 2011 of $12.1 million ($0.03 per share).

FINANCIAL SUMMARY

	Three months ended September 30,		Nine months ended September 30,	
(millions of dollars except where noted)	2011	2010	2011	2010
Sales	$ 233.5	$ 175.5	$ 633.0	$ 495.3
EBITDA	18.1	11.8	48.2	42.9
EBITDA as % of sales	7.8%	6.7%	7.6%	8.7%
Operating income before restructuring items and other income (expenses)	11.5	6.9	28.2	24.0
Net income from continuing operations	7.9	2.4	19.5	22.2
Net income	7.6	2.1	18.7	21.0
Basic and diluted earnings per share (in dollars)	0.02	0.00	0.04	0.05
Net Debt at September 30			63.2	101.1
Liquidity at September 30			116.0	66.2

Third quarter 2011

Lumber sales revenues increased by 14% when compared to the third 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 shipment volumes increased by 27% to 209 million board feet in the third quarter of 2011 from 165 million board feet in the third quarter of 2010. The geographic destination of the lumber was relatively consistent with the prior year, with 37% of lumber volume being shipped within Canada, 21% going to Japan, 24% to China, and 12% to the US.

Lumber product prices in the third quarter of 2011 did not change significantly when compared to the same period last year. However, in the third quarter of 2011, our overall average lumber price realized was lower at $676 per thousand board feet, compared to $750 in the same quarter of 2010 due to our mix of sales. Our sales mix in the current quarter contained more lower priced hemlock which was sold into China following the start up of the Ladysmith and Nanaimo mills. The reduction is also due to the effects of the stronger Canadian dollar on US dollar denominated revenues and losses recorded on Yen forward contracts.

Log sales revenues in the third quarter of 2011 increased by 98% compared to the same period last year. The increase is due to a 68% increase in the volume of logs sold and average log prices realized in the third quarter of 2011 being 11%, or $7 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, cedar and shingle log sales in North American markets as well as export sales to Korea and China. Log prices have increased since the third 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 $2.3 million, or 18%, in the current quarter compared to the third quarter of 2010, mainly because of increased chip production. Chip production in the third quarter of 2011 increased by 23% over 2010 largely due to increased lumber production at our sawmills. Partially offsetting the increase in volumes sold was the impact of lower average chip prices realized in the current quarter compared to 2010. Prices realized for our chips sold under fibre agreements with certain of our customers are based on a chip pricing formula which is a function of pulp prices and the mix of chips sold. Pulp prices were lower this year by an average of approximately 5% and this resulted in lower chip prices. In addition, the mix of chips sold changed, with proportionately more of the lower priced cedar chips being sold this quarter compared to 2010.

EBITDA of $18.1 million reported for the third quarter of 2011, which compares to the EBITDA reported in the same quarter last year of $11.8 million, but is a decline of $3.8 million from the $21.9 million earned in the second quarter of 2011. The EBITDA result for the third quarter of 2011 reflects increased operating levels, higher sales volumes for most products and a more favorable mix of sales compared to the third quarter of 2010. However, these positive variances were offset by the negative impacts of foreign exchange, higher freight costs and higher selling and administrative expenses in the current quarter.

As previously mentioned, our operating results were negatively impacted by an approximate 6% strengthening in the value of the Canadian dollar relative to the US dollar from the third quarter of 2010, which reduced our Canadian dollar proceeds received on US dollar denominated sales (the major share of our lumber sales are denominated in US dollars, including those to China). In addition, we recognized unrealized exchange losses on Yen forward exchange contracts in the quarter of $6.5 million as a result of the significant strengthening of the Yen against the Canadian dollar over the course of the third quarter of 2011. Western mitigates its foreign exchange risk associated with sales transactions denominated in US dollars and Japanese Yen by utilizing forward currency transactions available to it under a facility provided by Brookfield Asset Management Inc. At September 30, 2011 Western had obligations to sell an aggregate Yen 5,550 million at average rate of 79.28 Yen per C$. The Yen exchange rate strengthened against the Canadian dollar by 11.3% over the course of the third quarter of 2011 (from a rate of 83.61 Yen per C$, to 74.13) which created an unrealized mark-to-market loss on the contracts which was included in EBITDA. Excluding this item, EBITDA would have been $24.6 million for the third quarter of 2011.

Total freight costs were $23.8 million in the third quarter of 2011, which compared to the third quarter of 2010 cost of $15.4 million. Shipment volumes of lumber were higher in the current quarter which accounts for the majority of the $8.4 million increase. The balance of the increase results from the impact of rising oil prices on general freight rates.

Selling and administration costs increased by $0.6 million to $6.4 million in the current quarter compared to $5.8 million in the same quarter of 2010, mainly because of increased salary costs. The increase in salary costs is primarily because of the inclusion of performance-based bonus accruals expected for this year.

The operating results for the third quarter of 2011 incorporated temporary shutdown costs that were $8.8 million less than those incurred in 2010, as production was increased to meet demand. Lumber production was 27% higher in the third quarter of 2011 compared to the third quarter of 2010, and our sawmills operated at 86% of capacity (on an available shifts basis) in the third quarter of 2011 compared to 60% 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 third quarter of 2011, but were idle in the same quarter in 2010. Excluding the recently started mills of Nanaimo, Duke Point and Ladysmith, our mill productivity, measured on a volume produced per shift basis, improved 1.4% for the third quarter of 2011 compared to the same period in 2010.

Year to date, September 30, 2011

Total sales revenues for the first nine months of 2011 were $633.0 million, an increase of 28% over the sales revenues for the same period in 2010. Lumber, log and by-product sales were higher in the current nine month period by 16%, 71% and 26% respectively. Higher shipment volumes for all primary product categories, logs in particular, contributed to most of the increase. This increase was a function of stronger market demand for logs and lumber. Our lumber production was 17% higher in the first nine months of 2011 compared to 2010, which led to greater chip production levels thus increasing by-product revenues. Partially offsetting these was the negative impact on revenues of the stronger Canadian dollar in the current nine 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 nine months to September 30, 2011 was $48.2 million, which is $5.3 million more than the EBITDA for the same period of 2010 of $42.9 million. The benefit of the revenue increases described above and the favourable impact on fixed costs resulting from significantly increased operating rates in both our sawmills and logging operations were partially offset by increases to our cost of sales including log costs, higher freight costs and selling and administrative costs over the respective periods.

Non-operating income and costs

Finance costs decreased from $3.5 million in the third quarter of 2010 to $1.5 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 September 30, 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 $1.9 million for the third quarter of 2011 compares to other expenses of $0.3 million incurred in the third quarter of 2010. The majority of this increase relates to an impairment on assets recognized in the current quarter of $1.7 million. This impairment was required on assets included in the expected sale of TFL 60 discussed in the Overview section of this report.

Other significant non-operating transactions occurred in the first quarter of 2011, including 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 with Brookfield Properties Limited, a company related to Brookfield Asset Management Inc.

Markets and Outlook

The worldwide economic outlook has moved from a sense of general uncertainty to one of greater pessimism as reflected in the ongoing stock market turmoil, poor US economic news, and the unresolved European sovereign debt crisis. The US continues to have high unemployment, slowing household spending and a depressed housing market. The Chinese economy, which has been a key driver of global growth, is also showing some signs of slowing down.

While commodity lumber product prices are improved from the low levels of 2009, they remain historically weak and are well below normalized levels. The US housing market continues to be depressed, hampered by high unemployment, and a significant housing foreclosure inventory. Although China has been dealing with an overheated economy, it has emerged as a major source of demand for commodity lumber to be used in industrial and remanufacturing purposes. Demand for lumber in China has partially replaced the significant decline in US demand. Current indications are that the rate of growth in the China market has slowed down in the latter part of the third quarter and into the fourth quarter, reflecting high inventories. We are cautious about the repercussions of this decline in growth and the impact it could have on the industry in general. However, in the medium term, China continues to present an opportunity for Western to improve selling prices of low grade lumber and absorb volume that would otherwise be sold in a weak North American market. Longer term, we expect China to provide an opportunity for Western for higher grades of lumber, as Chinese building codes and practices become more accepting of construction grade lumber for home construction. However, currently the overall commodity lumber market remains depressed and is likely to continue so until the US market picks up.

The Sendai Tohoku earthquake in Japan last March was one of the most devastating natural disasters of the century, with housing starts only recently showing signs of improvement. However, given the number of properties that were destroyed, there is little doubt that significant rebuilding will need to take place. In the case of the Kobe earthquake of 1995, in comparison, it was not until 18 months afterwards that a spike in BC lumber exports occurred. Current indications are that the infrastructure repairs that are in progress have reached the point where building and construction work is ready to commence. Actual housing starts in Japan for August in 2011 were approximately 5% higher than August in 2010, and our customers are currently more optimistic and shipments to Japan are expected to increase in 2012. The market for cypress also appears to be better than expected with most of our fourth quarter production committed.

In our niche markets, demand for appearance grade products in North America continues at a low level while demand from Europe has slowed as a result of their financial crisis and is expected to remain weak. Currently, a trade action has been launched by the Australian government claiming that certain countries have been dumping their lumber products into the Australian market at prices below their own domestic levels. Western has been named in this claim. It is too early to tell what the result of this action will be; however, we do not expect this to be a material issue given the relatively low shipment volumes involved for Western. Approximately 50% of our niche sales are made within Canada, much of which is used for remanufacture in the US door, window and molding products market.

We are entering the seasonally slow period of the year for cedar lumber demand. While current demand has been steady, distributors continue to only buy fill-in volume and operate at very lean inventory levels. If general economic conditions in the US improve we expect distributors to be more aggressive in the future, but for now demand will likely tail off through the fourth quarter in line with the normal seasonal adjustment. We also expect demand in Europe to remain weak.

Domestic demand for sawlogs and veneer logs is expected to remain stable as customers focus on building inventory for 2012. The pulplog market is currently oversupplied but the surplus will be reduced with lower harvest volume through the winter season. In China, log inventories are high, ports are congested and access to credit is more restricted which is leading to a softening of the market.

Our balance sheet continues to be strong, with low leverage, strong liquidity and no term debt maturities until June 2013. This strength provides us the financial stability that we need to invest in our business and pursue high-return growth projects. Our recently announced $125 million dollar reinvestment program is expected to be funded from operational cash flows, and will initially be focused on quick payback cost reduction projects in our sawmills. We have started our strategic capital spending with a planer trimmer upgrade at Cowichan Bay sawmill which is expected to be complete by the end of November. This will increase the speed of the planer, allowing it to keep up with our growing sawmill production.

We have also embarked on a $25 million non-capital margin improvement program. The program is focused on reducing costs and extracting margin from our existing products without capital investment.

We continue to hold significant non-core assets and will pursue sale opportunities related to these assets should the right conditions present themselves. However, our net debt and liquidity position has improved significantly over the past year. Any proceeds from such sales will first be used to reduce the revolving term loan, with any surplus providing additional liquidity.

On October 11, 2011 Western announced that it had reached an agreement to sell TFL 60 in Haida Gwaii for net proceeds of $11.6 million and the sale is expected to close before the end of the year.

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.

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