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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Announces Second Quarter 2015 Results

August 4, 2015 – Vancouver, British Columbia, Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") announced results for the second quarter of 2015. The Company reported adjusted EBITDA of $29.2 million for the second quarter of 2015, consistent with the adjusted EBITDA of $29.6 million reported in the first quarter of 2015, and a decrease from $40.9 million reported in the second quarter of 2014. Adjusted EBITDA in the second quarter of 2015 benefitted from an improved lumber sales mix, led by growth in specialty product shipments, and an increase in export log shipments, but was limited due to lower commodity and Japan lumber pricing and a decline in export log pricing. Revenue increased 16% to $289.2 million in the second quarter of 2015 as compared to revenue of $248.6 million in the first quarter of 2015, and decreased by 2% from revenue of $296.2 million in the second quarter of 2014.

Q2 2015 HIGHLIGHTS

- Set a record quarterly average lumber price for the Company of $879 per thousand board feet
- Completed the successful restart of the second production line at the Duke Point sawmill
- Returned $7.9 million to shareholders via the Company's quarterly dividend program

"The ability to focus our production and sales on higher-margin specialty products limited Western's exposure to the significant second quarter decline in commodity lumber pricing and weak market in Japan. Despite a challenging market environment, we achieved a record average lumber price in the quarter and reported EBITDA consistent with last quarter," said Don Demens, President and Chief Executive Officer. "I am pleased with the recent progress we have achieved on strategic capital projects, including the restart of our second line at Duke Point as part of that mill's ongoing modernization project. We continue to position Western for the future by implementing strategic capital in support of our strategy to sustainably harvest the complete forest profile."

Net income of $19.1 million ($0.05 per diluted share) was reported for the second quarter of 2015, compared to $29.2 million ($0.07 per diluted share) for the second quarter of 2014 and $27.6 million ($0.07 per diluted share) for the first quarter of 2015.

FINANCIAL SUMMARY

(millions of dollars except where noted)	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Revenue	$ 289.2	$ 296.2	$ 537.8	$ 542.2
Adjusted EBITDA	29.2	40.9	58.8	73.7
Adjusted EBITDA margin	10.1%	13.8%	10.9%	13.6%
Operating income prior to restructuring items and other income	21.0	31.3	41.1	56.2
Net income from continuing operations	19.1	29.2	37.6	52.8
Net income for the period	19.1	29.2	46.7	52.8
Basic and diluted earnings per share (in dollars) - continuing operations	$ 0.05	$ 0.07	$ 0.10	$ 0.13
Basic and diluted earnings per share (in dollars) - discontinued operations	$ -	$ -	$ 0.02	$ -
Net Debt at June 30,			70.7	65.5
Liquidity at June 30,			160.9	165.6

Overview

Western reported adjusted EBITDA of $29.2 million in the second quarter of 2015. Financial results were supported by our flexible operating platform, which enabled us to increase shipments of Western Red Cedar (“WRC”) lumber and reduce our exposure to the significant downturn in commodity and Japan lumber markets. The steep decline in commodity lumber pricing compared to a year ago led to the imposition of Softwood Lumber Agreement (“SLA”) export duties for the first time in 17 months, which negatively impacted results. Second quarter 2015 adjusted EBITDA declined $11.7 million compared to the second quarter of 2014 due to lower commodity and Japan lumber pricing and the imposition of lumber duties into the U.S., as well as lower prices for export logs.

Second quarter lumber revenue of $200.0 million declined 4% from the same period last year as we delivered an 8% increase in average realized lumber prices while the SPF commodity index, presented in Canadian dollar (“CAD”), fell 8% period over period. Lumber shipment volumes were down 11% in the second quarter of 2015 as compared to the same period last year due to weak commodity and Japan lumber markets. Lumber pricing was supported by a 13% increase in WRC lumber sales volumes and a weaker CAD. WRC lumber sales volumes increased to 32% of total lumber sold in the second quarter of 2015 as compared to 26% in the same period last year.

Log revenue of $71.0 million in the second quarter of 2015 was similar to the same period last year as higher sales volumes of sawlogs and higher prices for pulp logs were offset by lower pulp log volumes and a decline in export log pricing. Overall log shipment volumes declined by 3% in the second quarter of 2015 compared to the same period last year due to a 29% reduction in pulp log sales, as pulp mill downtime delayed deliveries. Domestic log sales remained strong due to continued demand for our specialty log offerings.

In the second quarter of 2015, our flexible operating platform allowed us to implement changes to our planned production to address poor commodity and Japan lumber market conditions by increasing WRC production and sales volumes. Lumber production volumes in the second quarter of 2015 mirrored those of the same quarter last year, and increased by 13% from the first quarter of 2015 as a result of the continued ramp-up of production at our Duke Point sawmill.

Unseasonably dry weather conditions in the second quarter of 2015 led to reduced log production as compared to the same period last year. As a result of our strategy to maximize logging activities in the first quarter, we were able to continue to load and haul logs while harvesting was curtailed, supplying our mills and log customers from a robust log inventory that increased by approximately 100,000 cubic metres at June 30, 2015 as compared to the same period last year. Log production costs increased in the second quarter over last year due to the change in the mix of harvest locations, higher helicopter logging volumes and increased labour costs.

Net income for the second quarter of 2015 was $19.1 million, or $0.05 per common share, as compared to net income of $29.2 million, or $0.07 per common share, for the same period in 2014. Net income decreased due to challenging conditions in commodity and Japan lumber markets and through the imposition of export tax on lumber sales to the U.S.

Total liquidity as of June 30, 2015 was $160.9 million compared to $134.4 million at the end of 2014. The increased liquidity in 2015 was the result of cash generated by operations and the sale of non-core assets. In the second quarter of 2015, we continued to provide returns to our shareholders through our dividend program, returning $7.9 million, or $0.02 per common share, to shareholders on June 20, 2015

Operating Results

Second quarter 2015

In the second quarter of 2015, we generated $289.2 million of revenue and $29.2 million of adjusted EBITDA compared to $296.2 million of revenue and $40.9 million of adjusted EBITDA in the same quarter last year. Our ability to access additional log volume on the open market in combination with our flexible operating platform allowed us to focus our production on higher value specialty products. This strategy limited the impact of the significant decline in the commodity and Japan lumber markets.

Lumber revenue in the second quarter of 2015 was $200.0 million, a decrease of 4% from the same period of 2014. Second quarter average realized lumber pricing of $879 per thousand board feet ("mfbm") was a record for the company, having increased $64 per mfbm in the second quarter of 2015 compared to the same period last year. Improved pricing was driven by a 13% increase in WRC sales volumes and a weaker CAD. The additional sales of WRC and the weaker CAD partly offset an 11% reduction in sales volumes and pricing weakness in commodity and Japan lumber markets.

Second quarter log revenue of $71.0 million in 2015 was relatively unchanged from the same period in 2014. Continued weakness in export log pricing was offset by the weaker CAD and a 5% increase in export log shipments in the second quarter of 2015 as compared to the same period last year. Domestic saw log shipments increased by 4% while domestic log pricing decreased slightly due to a lower value sales mix. Realized pulp log pricing increased moderately over the second quarter of 2015, while pulp log shipment volumes were down 29% as pulp mill curtailments temporarily delayed deliveries.

By-products revenue was $18.2 million in the second quarter of 2015, an increase of 10% from the same period in 2014. Increased revenues were driven by higher realized chip prices. Chip prices are tied to the USD-denominated market price of pulp and as the CAD weakened our realized chip prices improved.

Improved production from the Duke Point sawmill in the second quarter of 2015 as a result of our ongoing modernization project offset the impact of the November 2014 permanent closure of our Nanaimo sawmill, and drove lumber production to 236 million board feet in the second quarter of 2015. While this production was flat as compared to the same quarter of 2014, we increased lumber production by 13% as compared to the first quarter of 2015.

Log harvest volumes in the second quarter of 2015 reached 1.4 million cubic meters, a reduction of 0.1 million cubic metres from the same quarter of 2014, despite the impact of hot, dry weather which limited some harvest operations. To supplement log inventories to our mills, we grew second quarter sawlog purchases to over 0.3 million cubic metres, an increase of 6% as compared to the same period last year.

Log production costs and average log value both increased by 4% in the second quarter of 2015 as compared to the same period last year, primarily due to a change in mix of harvest locations and an increase in helicopter logging. Also contributing to a year over year cost increase was higher labour costs as a result of a five-year labour agreement ratified by the United Steelworkers Union ("USW") in July 2014.

Our focus on specialty lumber production in the second quarter of 2015 resulted in a 16% increase in WRC lumber production as compared to the same quarter last year and led to the highest quarterly WRC lumber sales volume since 2008. By utilizing our flexible operating platform we replaced higher production commodity volumes with higher margin WRC production in our mills. The additional WRC volumes led to an increase in production costs and a 4% decrease in lumber recovery as compared to the same period last year.

With the drop in the commodity benchmark lumber pricing index, export taxes under the Softwood Lumber Agreement became payable in the second quarter of 2015 for the first time since the fourth quarter of 2013. Export tax rates applied to shipments of lumber to the U.S. were 5% for April and May and 10% for June. In the second quarter of 2015 we incurred $1.8 million in export tax expense.

Freight costs were $23.1 million in the second quarter of 2015, a decrease of $2.0 million compared to the same period of 2014. This decrease was due largely to the geographic mix of lumber shipments, and a reduction in fuel surcharges similar to that realized in the first quarter of 2015.

Selling and administration expense decreased 6% from the second quarter of 2014 to $7.6 million in the second quarter of 2015. Contributing to lower administration expense was reduced selling expense and performance-based compensation costs.

Second quarter net income was $19.1 million in 2015, as compared to $29.2 million in the same period in 2014. The reduction in net income in the second quarter of 2015 reflects those circumstances presented above.

Year to date, June 30, 2015

Adjusted EBITDA for the first six months of 2015 was $58.8 million. Our flexible operating platform enabled us to meet increased demand for WRC and Niche lumber and reduce our exposure to a significant downturn in commodity and Japan lumber markets. Resilient WRC and Niche lumber markets, the weaker CAD, and an increase in log shipments partially offset the impact of poor commodity and Japan lumber pricing in the first half of 2015. With an increase in production costs and the imposition of export tax, these factors reduced adjusted EBITDA by $14.9 million from the first half of 2014, and resulted in an adjusted EBITDA margin of 10.9% as compared to 13.9% in the same period last year.

Lumber revenue in the first half of 2015 declined by 3% as compared to the first half of 2014. A $59 per mfbm increase in average realized lumber pricing due to an improved product mix was offset by a 9% decrease in lumber shipments. As compared to the first half of 2014, WRC and Niche shipments grew by 10% and 9%, respectively, which increased our average realized lumber price and limited the impact of weaker commodity and Japanese lumber markets. WRC lumber sales volumes increased to 30% of total lumber sold in the first half of 2015 as compared to 25% in the same period last year.

First half log revenue increased by 4% in 2015 to $132.2 million on the strength of 10% increases in both export and domestic sales volumes, and a reduction in pulp log sales volumes as compared to the first half of 2014. Our average realized log pricing remained flat as rising domestic log pricing and the weaker CAD offset the impact of challenging log market conditions in China.

Improved production from our Duke Point sawmill offset the impact of the November 2014 closure of our Nanaimo sawmill on first half 2015 lumber production, which was 6% lower than in the first half of 2014. The lumber production decrease was primarily the result of the internalization of custom cut volumes to match production volumes to market demand.

Total log production increased to 2.9 million cubic metres in the first half of 2015 from 2.8 million cubic metres produced in the same period last year. The increased harvest combined with a greater log purchase volume in the first half of 2015 led to our highest mid-year log inventory volume since 2008. As a result, entering the second half of 2015 our log inventory was well-positioned to supply our mills and log customers and mitigate some of the risk of potential weather-related harvest curtailments.

Log production costs were higher in the first half of 2015 primarily due to a mix in harvest operations, increased helicopter logging volumes and increased labour costs. Labour costs have increased following the aforementioned labour agreement with the USW. Additionally, we expensed $2.2 million more spur road construction in the first half of 2015 as compared to the same period last year as we increased our access to standing timber in preparation for future harvesting.

Selling and administration expense in the first half of 2015 was $14.1 million, a decrease of $3.8 million from the same period last year. The reduction in selling and administration expense was due to reduced selling expense and performance-based compensation costs. As a percentage of revenue, selling and administration expense has decreased from 3.3% in the first half of last year to 2.6% in the same period of 2015.

Finance costs

Finance costs in the second quarter of 2015 were $1.3 million, a decrease of $0.2 million compared to the same quarter of 2014. This decrease was commensurate with a reduction in lower average outstanding debt on our revolving term loan facility and a reduction in interest rate from the comparative period. The average debt balance outstanding in the second quarter of 2015 was $73.8 million as compared to $87.8 million in the same quarter of 2014.

Discontinued Operations

The sale of Western's former Squamish pulp mill site was completed February 6, 2015 for cash proceeds of $21.8 million. Consequently, the Company recognized $9.1 million in net income from discontinued operations in the first quarter of 2015 resulting from a gain on disposal of property, plant and equipment; revenue from the sale of hydro-electric power generated at the site partly offset by site operating costs incurred up to the sale completion date; and a gain on reversal of a liability.

As part of our corporate strategy, we will continue to pursue opportunities to sell non-core assets in order to optimize our business.

Strategy and Outlook

Western's strategy, which is designed to maximize product margins while increasing our sales volume, remained a focus in the first half of 2015.

Key operational priorities in support of our strategy include:

- Increasing log availability through improved log utilization
- Accessing additional log volume on the open market to increase lumber production
- Improving productivity through increased equipment utilization
- Focusing our lumber marketing programs by mill to drive higher margins

Market Outlook

The gradual recovery in the U.S. new home construction market continues. It is our belief that increased demand from the recovery in the U.S. new home segment and continued demand from China, combined with a reduction in supply from traditional Canadian sources, will lead to a stronger pricing environment. In the near term, we expect commodity lumber pricing to remain volatile as increased lumber consumption in the U.S. is expected to be offset by continued weakness in China.

Lower U.S. commodity prices led to the imposition of export taxes under the SLA in the second quarter. The export tax on lumber shipments to the U.S. was 15% in July and will decline to 5% in August. We expect the export tax to remain in place until either the commodity lumber index price recovers or the current SLA expires in October 2015.

Continued strength in the repair and renovation market in North America will support strong demand for our WRC and Niche product lines. We anticipate WRC lumber pricing to hold at current levels for the remainder of the third quarter as weather-related market inventories are reduced. Our Niche lumber sales pricing is expected to remain strong while volume should increase in the third quarter.

We anticipate pricing pressures to continue in the Japanese and Chinese lumber markets in the third quarter of 2015. Our focus for these markets continues to be the refinement of sales channels and management of near-term market conditions by utilizing our flexible operating platform and directing production to the highest margin markets and products.

Export log market conditions are expected to remain challenging in the third quarter while domestic log markets should benefit from a combination of constrained supply and our specialty product mix. Pulp log markets will remain challenging due to reduced demand resulting from pulp mill curtailments.

Continued hot, dry weather has the potential to impact future log harvesting activities and could lead to reduced log supply to our mills. In anticipation of potential operational curtailments, we grew our third quarter opening log inventory volume to the highest level at that time of year since 2008.

Strategic Capital Plan Update

In the second quarter of 2015, we announced additional planned strategic capital investments of $30.0 million and continued to make steady progress with our ongoing strategic capital projects.

In May 2015 we advanced our Duke Point sawmill modernization plan by installing a new log haul and restarting the second production line. The ongoing ramp-up in production at that mill has positively impacted our productivity and production costs, and allowed the internalization of additional custom cut production that will lead to improved lumber margins and chip revenue. Our upgrades at Duke Point allow us to increase our large log utilization and support our strategy of harvesting the profile of the coastal forest.

Additionally, in the second quarter of 2015 we continued the engineering associated with our recently announced capital projects and finalized preparation for the installation of a log merchandiser at our Saltair sawmill. That installation will take place late in the third quarter of 2015 and will result in three weeks of production downtime at that operation. Also in the third quarter, we will continue with the Phase III modernization at Duke Point and begin upgrades to the timber deck at our Chemainus sawmill.

The upcoming capital investments in our operations are expected to increase productivity, reduce production costs, increase margins, and support the continued sustainable harvesting of our complete forest profile. Upon completing the strategic capital program, we expect to have improved our competitiveness and gained access to new markets.

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 2014 Annual Report dated February 17, 2015. All written and oral forward-looking statements or information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Except as required by law, Western does not expect to update forward-looking statements or information as conditions change.

Reference is made in this report to adjusted EBITDA which is defined as operating income prior to operating restructuring items and other income, plus amortization of property, plant, equipment, and intangible assets, impairment adjustments, and changes in fair value of biological assets. Adjusted EBITDA margin is EBITDA presented as a proportion of revenue. Western uses adjusted EBITDA and adjusted EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider adjusted EBITDA to be a meaningful supplement to operating income as a performance measure primarily because amortization expense, impairment adjustments and changes in the fair value of biological assets are non-cash costs, and vary widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of their operating facilities. Further, the inclusion of operating restructuring items which are unpredictable in nature and timing may make comparisons of our operating results between periods more difficult. We also believe adjusted EBITDA and adjusted EBITDA margin are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Adjusted EBITDA does not represent cash generated from operations as defined by IFRS and it is not necessarily indicative of cash available to fund cash needs. Furthermore, adjusted EBITDA does not reflect the impact of a number of items that affect our net income. Adjusted EBITDA and adjusted EBITDA margin are not measures of financial performance under IFRS, and should not be considered as alternatives to measure performance under IFRS. Moreover, because all companies do not calculate adjusted EBITDA and adjusted EBITDA margin in the same manner, these measures as calculated by Western may differ from similar measures as calculated by other companies. A reconciliation between the Company's net income as reported in accordance with IFRS and adjusted EBITDA is included in the Company's Management's Discussion & Analysis for the quarter ended June 30, 2015, 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 is the largest coastal British Columbia woodland operator and lumber producer. The Company has 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. Western has a lumber capacity in excess of 1.1 billion board feet from seven sawmills and two 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 more than 25 countries worldwide.

TELECONFERENCE CALL NOTIFICATION:

Wednesday, August 5, 2015 at 9:00 a.m. PST/12:00 p.m. EST

On Wednesday, August 5, 2015, Western Forest Products Inc. will host a teleconference call at 9:00 a.m. PST (12:00 p.m. EST). To participate in the teleconference please dial 416-340-2216 or 1-866-223-7781. This call will be taped, available one hour after the teleconference and on replay until August 16, 2015 at 8:59 p.m. PST (11:59 p.m. EST). To hear a complete replay, please call 905-694-9451 / 1-800-408-3053 (passcode: 5736923).

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