MATERIAL CHANGE REPORT
51-102F3

Item 1 Name and Address of Company

Western Forest Products Inc. (the "**Company**" or "**Western**")
Suite 510 - 700 West Georgia Street
TD Tower, P.O. Box 10032
Vancouver, British Columbia V7Y 1A1

Item 2 Date of Material Change

August 20, 2014

Item 3 News Release

News releases were disseminated on August 20 and 21, 2014 through Marketwired and filed on SEDAR.

Item 4 Summary of Material Change

The Company and Brookfield Special Situations Management Limited ("**Brookfield**") announced a bought deal secondary offering of 80,000,000 common shares of the Company to be sold at a price of $2.50 per common share, for gross proceeds to Brookfield of $200 million (the "**Offering**"). The Underwriters were granted an over-allotment option, exercisable for a period of 30 days from the closing of the Offering, to purchase 12,000,000 additional common shares (the "**Option Shares**") at a price of $2.50 per Option Share under the same terms. The Underwriters subsequently exercised the over-allotment option.

Brookfield currently holds 113,960,052 common shares, representing 29% of the issued and outstanding common shares of the Company. Concurrently with the Offering, CIBC World Markets Inc. and Scotiabank, on behalf of a syndicate of underwriters, will acquire Brookfield's remaining interest in Western for immediate resale through the facilities of a Canadian exchange (the "**Concurrent Offering**"). Following the Offering, the sale of the Option Shares and the Concurrent Offering, Brookfield will no longer hold any common shares of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On August 20, 2014, the Company and Brookfield announced a bought deal secondary offering of 40,000,000 common shares of the Company to be sold at a price of $2.50 per common share, for gross proceeds to Brookfield of $100 million. The Underwriters were granted an over-allotment option, exercisable for a period of 30 days from the closing of the offering, to purchase 6,000,000 additional common shares at a price of $2.50 per additional common share under the same terms.

On August 21, 2014, the Company and Brookfield announced that the offering had been upsized to 80,000,000 common shares to be sold at a price of $2.50 per common share, for gross proceeds to Brookfield of $200 million. The over-allotment option was increased to 12,000,000 common shares at a price of $2.50 per common share under the same terms.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 **Omitted Information**

Not applicable

Item 8 **Executive Officer**

Brian Cairo, CFO & Corporate Secretary (Tel: 250-734-4710)

Item 9 **Date of Report**

August 25, 2014