West Fraser Announces Additional Permanent Production Reductions in British Columbia

VANCOUVER, June 17, 2019 /CNW/ - Today, West Fraser announced its intention to permanently close its Chasm lumber mill and eliminate the third shift from its 100 Mile House lumber mill, both to occur during the third quarter of 2019.

"We sincerely regret the impact this decision will have on our employees, their families and the affected communities. We will be making efforts to mitigate the effects of this business decision, including opportunities for affected employees to transition to other company locations," said Ray Ferris, President and Chief Operating Officer.

"This decision is not a reflection of the contributions of our employees, contractors and the communities where these mills operate. It is the result of well-documented timber supply constraints owing to B.C.'s devastating Mountain Pine Beetle infestation, recent record wildfires, price declines in lumber markets and high saw log costs," stated Ferris. "As a result of reduced harvesting levels set by the Chief Forester of B.C., there is insufficient timber supply to support the current lumber production capacity of the lumber mills in these locations. Today's decision better aligns West Fraser's production in the region with current timber supply."

These production curtailments and closures are expected to impact approximately 176 employees at Chasm and approximately 34 employees at 100 Mile House. Lumber production is anticipated to be permanently reduced by approximately 314 million board feet as a result of this announcement. In 2018 and 2019, West Fraser will implement total temporary and permanent capacity curtailments of approximately 125 million and 614 million board feet respectively.

West Fraser has deep roots in B.C. The Company has made $600 million in strategic investments in its operations since 2013 to ensure modern, efficient and well-capitalized B.C. operations are competitive in anticipation of the reduced long-term post-beetle timber supply in the province.

West Fraser is a diversified wood products company producing lumber, LVL, MDF, plywood, pulp, newsprint, wood chips and energy with facilities in western Canada and the southern United States.

This News Release contains descriptions of current circumstances and statements about potential future developments including the timing and approximate amount of the reduction of lumber production. The latter, which are forward-looking statements, are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including those matters described in the 2018 annual Management's Discussion & Analysis under "Risks and Uncertainties", and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by applicable securities laws.

West Fraser shares trade on the Toronto Stock Exchange under the symbol: "WFT".

SOURCE West Fraser Timber Co. Ltd.

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