



December 16, 2021

Millar Western Announces Sale of Wood Products Assets to Canfor

EDMONTON, Alberta — Millar Western Forest Products Ltd. ("Millar Western") announced today that it has entered into an agreement to sell the company's wood products assets to Canfor Corporation ("Canfor") for \$420 million, including \$56 million of working capital. This transaction would include the lumber and specialty lumber mills in Whitecourt, Fox Creek and Acheson, Alberta, and associated woodlands operations and timber holdings. The transaction is expected to close in the first quarter of 2022, subject to customary closing conditions and regulatory approvals.

Following a successful completion of the transaction, Millar Western will continue to own and operate its bleached chemi-thermomechanical pulp (BCTMP) mill in Whitecourt, while the wood products operations, encompassing a combined workforce of approximately 550 people and production capacity of 630 million board feet of lumber products, would operate as divisions of Canfor. This transaction would position Millar Western to focus on growth opportunities in the pulp sector.

"This transaction, with a company that shares our commitment to working safely, supporting healthy communities, and conducting responsible stewardship of forest resources, will provide great opportunities to the outstanding people in our wood products operations," said David Anderson, President and Chief Executive Officer of Millar Western. "We are pleased to see these dedicated employees placed on the path to a strong future with Canfor."

"Millar Western has an excellent reputation for its highly skilled employees, strong commitment to safety, efficient operations and exceptional products. These operations are well aligned with our strategy of growing and diversifying our global operating platform, and we look forward to welcoming them to the Canfor team," said Don Kayne, President and CEO of Canfor.

Advisors:

RBC Capital Markets and Stifel Nicolaus Canada acted as financial advisors to Millar Western. Dentons Canada LLP acted as legal advisor to Millar Western.

About Millar Western

Millar Western is a privately held forest products company active in Alberta for more than a century. Operating advanced-technology mills and conducting sustainable management of forest resources, the company produces hardwood and softwood bleached chemi-thermo-mechanical pulp (BCTMP), softwood lumber, and specialty wood products for markets around the world.

Media contact:

Ann Normand, Corporate Communications
780-220-0726