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Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES SECOND QUARTER 2013 FINANCIAL RESULTS

Q2 2013 Financial Highlights[(1)]

- **Revenues increase to $210 million**
- **Gross Margin at 10.3%**
- **EBITDA[(2)] totals $7.4 million**

VANCOUVER, **CANADA** – August 1, 2013 – CanWel Building Materials Group Ltd. ("CanWel" or "the Company") (TSX:CWX) announced today its second quarter financial results for the three-month period ended June 30, 2013.

For the three-month period ended June 30, 2013, revenues increased to $210 million compared to $207 million in the same period in 2012. The increase in revenue relates primarily to higher sales of specialty and allied products and contribution from the acquisition of North American Wood Preservers LP ("NAWP"). The Company's sales in the quarter were made up of 57 percent of construction materials compared to 58 percent in the same period in 2012, with the balance resulting from specialty and allied products. Quarter over quarter, Canada Mortgage and Housing Corporation ("CMHC") noted a 19% decrease in housing starts in 2013. The decline in housing starts along with fluctuations in construction materials pricing experienced within the quarter, combined to impact the Company's results. During the period, gross margin amounted to $22 million, or 10.3 percent of revenues, versus $24 million or 11.8 percent of revenues during the second quarter of 2012. This decrease in margin percentage is mainly due to weaker market conditions for construction material products during the second quarter of 2013, resulting in lower margins on certain construction materials. The average benchmark price declined by 30% for lumber[(3)], 19% for plywood[(4)] and 17% for OSB[(5)], versus the average benchmark price in the first quarter of 2013. These construction material price declines were the most significant factor in this quarter's reduced gross margins compared to those of the second quarter of 2012. As a result, net earnings[(6)] in the second quarter of 2013 amounted to $3.6 million compared to $5.2 million in 2012.

EBITDA for the three months ended June 30, 2013 amounted to $7.4 million compared to $9.7 million in the same quarter of 2012. EBITDA for the six months ended June 30, 2013 was $11 million compared to $12 million in the same period in 2012.

"I am pleased with our ability to achieve revenue growth and maintain a steady level of EBITDA during a period of lower housing starts and volatility in construction materials pricing when compared to the first half of 2012," noted Amar S. Doman, Chairman and CEO of the Company. "While margins were modestly lower than the same period last year, given the strength of our operating platform, we remain optimistic with our ability to maximize profitability even in challenging times while continuously keeping an eye out for strategic growth opportunities. The extraordinary drop of lumber, plywood and OSB pricing was difficult to manage, but we did a good job weathering the storm."

Reconciliation of Net Earnings (Loss) to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA):

(in thousands of dollars)	Three months ended June 30 2013	Three months ended June 30 2012(1)	Six months ended June 30 2013	Six months ended June 30 2012(1)
Net Earnings (Loss)	$3,609	$5,184	$4,704	$5,093
Provision for income taxes	1,139	1,820	1,544	1,788
Finance costs	1,738	1,727	3,247	3,205
Depreciation of property, plant and equipment	562	733	948	1,418
Amortization of intangible assets	250	250	500	500
Share-based compensation	53	35	63	69
EBITDA	$7,351	$9,749	$11,006	$12,073

1. On January 1, 2013 the Company retrospectively adopted the amendments for IAS 19 – Employee Benefits. The comparative amounts for 2012 have been restated. See "Changes in Accounting Policies" for further discussion.

About CanWel Building Materials

CanWel Building Materials trades on the Toronto Stock Exchange under the symbol CWX and is one of Canada's largest national distributors in the building materials and related products sector, operating distribution centres coast to coast in all major cities and strategic locations across Canada. CanWel distributes a wide range of building materials, lumber and renovation products. Further information can be found in the disclosure documents filed by CanWel with the securities regulatory authorities, available at www.sedar.com.

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Certain statements in this press release may constitute "forward-looking" statements. When used in this press release, such statements use words, including but not limited to, "may", "will", "expect", "believe", "plan", "intend", "anticipate", "future" and other similar terminology. These forward-looking statements reflect the current expectations of CanWel's management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanWel, including the cash flow from operations, dividends or EBITDA[3] generated or paid by CanWel, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include (i) the risk that the integration of the acquisition of Pastway Planing Limited ("Pastway")in quarter 3, 2013, the assets of North American Wood Preservers ("NAWP"), completed in quarter 2, 2013, Northwest Wood Preservers ("NWP"), completed in quarter 1, 2012 or Broadleaf Logistics Company ("BLC") completed on February 1, 2010 (collectively the "Acquisition") may result in significant challenges, and management of CanWel may be unable to accomplish the integration of the Acquisition smoothly or successfully or without spending significant amounts of time, money or other resources thereon; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology and financial reporting systems, any of which could have a material adverse effect on the business, financial condition and results of operations of CanWel; (ii) the risk that revenues, profits and margins of the Company may not remain consistent with historical levels, (iii) the risk that competing firms which manufacture or distribute competitive product lines will aggressively defend or seek market share, or that existing customers or suppliers of Pastway, NAWP, NWP or BLC (some of whom are competitors of CanWel) will cease doing business with the Company, in each case reducing, eliminating or reversing any potential positive economic impact on CanWel of the Acquisition; (iv) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisition may not be fully realized, realized at all or may take longer to realize than expected; (v) the risk of disruption from the integration of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers. Factors also include, but are not limited to, dependence on market and economic conditions, sales and margin risk, competition, information system risks, availability of supply of products, risks associated with the introduction of new product lines, product design risk, environmental risks, volatility of commodity prices, inventory risks, customer and vendor risks, acquisition and integration risks, availability of credit, credit risks, litigation risks and interest rate risks. A further description of these and other risks which could cause results to differ materially from those described in these forward-looking statements can be found in the periodic and other reports filed by CanWel with Canadian securities commissions and available on SEDAR (http://www.sedar.com). In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian economy, the relative stability of interest rates, volatility of commodity prices, more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company's future growth plans, the implementation and success of the integration of the Acquisition, the ability of the Company to refinance its debts as they mature, the Canadian housing and building materials market; the amount of the Company's cash flow from operations; tax laws; and the extent of the Company's future acquisitions and capital spending requirements or planning as well as the general level of economic activity, in Canada, and abroad, discretionary spending, uptake of the Company's NCIB program[7] and unemployment levels.

These forward-looking statements speak only as of the date of this press release. CanWel does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

(1) Please refer to our Q2 2013 MD&A and Financial Statements for further information. Our 2013 filings are reported under International Financial Reporting Standards ("IFRS").

(2) In the discussion, reference is made to EBITDA, which represents earnings from continuing operations before interest, provision for income taxes, gain or loss on sale of fixed assets, depreciation and amortization, goodwill impairment loss and stock-based compensation. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS, the measure as calculated by the Company may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as we believe it is a useful indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS.

(3) Average benchmark price is based on weekly average mill price in Canadian funds for the quarter, 2x4 WSPF per thousand FBM, FOB Toronto, Ontario, as reported by Random Lengths

(4) Average benchmark price is based on weekly average mill price in Canadian funds for the quarter, per msf 3/8-inch basis, FOB Toronto, Ontario, as reported by Random Lengths

(5) Average benchmark price is based on weekly average mill price in Canadian funds for the quarter, per msf 7/16-inch basis, FOB Toronto, Ontario, as reported by Random Lengths

(6) Before accounting for "Other Comprehensive Income"; please refer to our Q2 2013 Financial Statements for further information.

(7) Please also refer to the forward looking statement information in our November 19, 2012 news release for additional forward looking statement information and cautions pertaining to the Company's Normal Course Issuer Bid ("NCIB"), which are hereby incorporated by reference, and as may also be applicable to the Plan or NCIB as the case may be. Although CanWel intends to purchase common shares and or convertible debentures for cancellation under its NCIB and / or the Plan, there can be no assurances that any such purchases will be completed. Please refer to our public disclosure filings for the latest information on the NCIB.