



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Provides El Dorado Project and Corporate Update

December 28, 2016, Vancouver, B.C. - Conifex Timber Inc. ("**Conifex**") (TSX: CFF) announced today that it has received syndication lenders take-up for a new \$130 million secured revolving credit facility (the "**Credit Facility**") being arranged by a major U.S. bank to fund the modernization and restart of its sawmill complex in El Dorado, Arkansas, as well as to replace and discharge its existing revolving credit facilities and senior notes. The Credit Facility will have a term of 5 years and be secured by substantially all of Conifex's assets (other than its bioenergy segment assets), and is scheduled to close on or about January 6, 2017.

Conifex had previously announced that it was working towards finalizing capital and financing plans to reconstruct its currently idled sawmill complex in El Dorado, Arkansas. Ken Shields, Chairman and CEO, stated: "This financing is a key element of our planned expansion into the U. S. South to achieve revenue diversification and reduce cash flow volatility in our lumber segment."

The completion of the Credit Facility is subject to customary conditions, including finalization of definitive credit documentation and there can be no assurance that it will be completed on the terms currently contemplated, if at all.

For further information, please contact:

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About Conifex Timber Inc.

Conifex and its subsidiaries' primary business currently includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing and distribution. Conifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets. Conifex has expanded its operations to include bioenergy production following the commencement of commercial operations of its power generation facility at Mackenzie, British Columbia.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements". Forward-looking statements are statements that address or discuss activities, events or developments that Conifex expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "projects", "will", "believes", "intends" "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements reflect the current expectations and beliefs of Conifex's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of Conifex and its industry may be materially different from those implied by such forward-looking statements. Examples of such forward-looking information that may be contained in this news release include statements regarding the terms, amount and ability of Conifex to complete the Credit Facility. Assumptions underlying Conifex's expectations regarding forward-looking information contained in this news release include, among others, that Conifex will successfully negotiate and execute definitive

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documentation and complete the Credit Facility and that final lenders' approval will be obtained. Forward-looking statements involve significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation, that Conifex will be unable to receive approvals required for the Credit Facility; that the Credit Facility will not be completed in the expected timeframe or at all; that the final terms of the Credit Facility may differ from those currently anticipated; and other risk factors described in Conifex 2015 annual information form, available on SEDAR at www.sedar.com. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and Conifex undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.