



For Immediate Release

**CONIFEX INC. ANNOUNCES AGREEMENT FOR THE ACQUISITION OF  
MACKENZIE, BRITISH COLUMBIA SAWMILLS AND RELATED ASSETS  
FROM ABITIBI-CONSOLIDATED COMPANY OF CANADA**

FORT ST. JAMES, British Columbia, March 24, 2010 – Conifex Inc. ("Conifex") today announced that its affiliate has entered into a definitive agreement to acquire (the "Transaction") from Abitibi-Consolidated Company of Canada and an affiliate (the "Vendor") certain of the Vendor's assets situated at or near Mackenzie, British Columbia, including two sawmills and planer mills, as well as the Vendor's timberland operations which include a forestry licence with an annual allowable cut of approximately 932,500 cubic metres.

Upon completion of the Transaction, Conifex and its affiliates, on a combined basis, will own sawmills having an annual lumber production capacity in excess of 600 million board feet on a two-shift basis, all supported by renewable forestry licences with an allowable annual cut of approximately 1.6 million cubic metres.

The Transaction is subject to certain customary conditions, including certain approvals. On March 23, 2010, an order authorizing the Transaction was issued by the Quebec Superior Court pursuant to the *Companies' Creditors Arrangement Act* proceedings to which the Vendor and certain of its affiliates are a party. The Transaction is expected to close in or about the second quarter of 2010.

Ken Shields, the Chief Executive Officer of Conifex, stated: "This acquisition is consistent with our objectives to invest in promising softwood fibre supply regions and to upgrade and operate low-cost lumber converting facilities."

**Assets to be Acquired**

Pursuant to the Transaction, Conifex's affiliate will acquire two sawmills and planer mills, related lands and other assets. The timberland operations to be acquired by the Purchaser include a forest licence, with approximately 932,500 cubic metres of annual allowable cut, and related logging camps. Conifex intends to consolidate the two Mackenzie sawmills into one expanded and upgraded facility capable of producing high quality lumber on a more cost-effective basis.

In addition, the Conifex Group will also acquire non-operational paper mill assets situated adjacent to one of the sawmills, including the associated power generation assets. Conifex intends to dispose of the paper mill assets but will retain the power generation assets with capacity to produce 13.8 megawatts of electricity.

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**Conifex Inc.**

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## **Conifex Inc.**

Conifex is an independent British Columbia company formed for the purpose of investing in the forest industry in the interior region of British Columbia and elsewhere in Canada. Conifex and its affiliates' primary business includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing. Conifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets.

Conifex's current operations comprise one sawmill, situated in Fort St. James, British Columbia, with in excess of 300 million board feet of annual lumber capacity on a two-shift basis, as well as timberland operations with approximately 640,000 cubic metres of annual allowable cut from quality Crown-owned tenures in the north central interior of British Columbia. The sawmill commenced operating on a one-shift basis in March, 2009 and is currently operating approximately 15% above the production targets established at the time of purchase. At this mill, Conifex intends to move to a two-shift operation in the second half of 2010 upon the completion of a capital expenditure program which is currently underway.

CONIFEX INC.

Per: "Kenneth A. Shields"

Kenneth A. Shields, Chief Executive Officer

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This news release may contain certain forward-looking statements that reflect the current views and/or expectations of Conifex with respect to its performance, business and future events. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves or other business plans. Investors are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors, such as: general economic and business conditions, including changes in interest rates, prices and other economic conditions; actions by competitors; natural phenomena; actions by government authorities, including changes in government regulation; uncertainties associated with legal proceedings; technological development; future decisions by management in response to changing conditions; the ability to execute prospective business plans; and misjudgments in the course of preparing forward-looking statements. These risks, as well as others, could cause actual results and events to vary significantly. Conifex does not undertake any obligation to release publicly any revision for updating any voluntary forward-looking statements.

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