



CONIFEX TIMBER INC.

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FOR RELEASE: November 16, 2011

CONIFEX ANNOUNCES ACQUISITION OF LUMBER DISTRIBUTION AND TRANSPORTATION BUSINESS AND EARNINGS RELEASE CALL

Vancouver, British Columbia, November 16, 2011 – Conifex Timber Inc. ("**Conifex**" or the "**Company**") (TSX-V: CFF) today announced that, further to its previously announced letter of intent, it has, through a wholly-owned subsidiary, entered into a definitive agreement (the "**Agreement**") to acquire (the "**Transaction**") the commodity lumber distribution business owned and operated by Welco Lumber Corp. ("**Welco**") and the transportation and logistics business owned and operated by Navcor Transportation Services Inc. ("**Navcor**").

The lumber distribution business to be acquired by Conifex consists of all of Welco's assets related to its commodity dimensional lumber distribution business, other than certain current assets, and any assets of Marathon Forest Products Ltd., which will be retained by Welco. Conifex also intends to enter into employment agreements with certain of Welco's key employees (the "**Employees**") in the commodity lumber distribution business prior to closing. Additionally, pursuant to the Agreement, Conifex will indirectly acquire Navcor's transportation and logistics business by acquiring from Welco all of the issued and outstanding shares of Navcor on closing.

Under the terms of the Agreement, Conifex shall pay to Welco an aggregate of \$1,576,476 and the book value of certain specified inventory, as well as the payment of certain commissions for a period of three-years following closing as specified in the Agreement.

Conifex, which was the recent recipient, in the New Exporter category, of a 2011 BC Export Award, believes that, as a result of the Transaction, including the expected retention of the Employees, it will be able to seamlessly continue to serve its customers in the United States, China, Japan and elsewhere. The BC Export Awards are presented jointly by the Government of British Columbia and the B.C. Division of the Canadian Manufacturers and Exporters. The New Exporter award recognizes a company that has achieved notable success from its initial entry into the export market.

Welco and Navcor, both private British Columbia companies, have provided lumber marketing and logistics services to Conifex on a contract basis since March 2009. Navcor is a wholly-owned subsidiary of Welco. Brad Johansen, a director of Conifex, is also the president, chief executive officer and a director of Welco.

The Transaction is expected to close on or before December 31, 2011, subject to customary closing conditions.

Release of Third Quarter 2011 Financial Results and Conference Call

The Company also announced today that it will release its third quarter 2011 financial results after markets close on Tuesday, November 22, 2011.

Conifex will host a conference call to discuss its third quarter 2011 financial and operating results on Wednesday, November 23rd, 2011 at 8:00 a.m. Pacific Time / 11:00 a.m. Eastern Time. To participate in the call, please dial: 416-695-6616 / 800-355-4959. The call will be available on instant replay access until December 31, 2011 by dialling 905-694-9451 or 800-408-3053 and entering participant pass code 6307115.

For further information, please contact Yuri Lewis, Chief Financial Officer at (778) 331-8687.

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. Conifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets. Upon completion of its bioenergy facility at Mackenzie, British Columbia, Conifex's business sectors will be expanded to include bioenergy.

Conifex's sawmill complex situated in Fort St. James, British Columbia was purchased in August 2008 and commenced operations on a one-shift basis in March 2009. Conifex's two-mill complex situated in Mackenzie, British Columbia was purchased in June 2010. One mill at Mackenzie started up on a one-shift basis in November 2010. Conifex added a second shift at Fort St. James and Mackenzie in late March 2011 and expects to operate at approximately 70% of capacity once the production ramp up phase from the second shifts is completed. On a combined basis, Conifex now owns sawmills having an annual lumber production capacity of approximately 745 million board feet on a two-shift basis. The sawmill complexes are supported by renewable forestry licences with an allowable annual cut of approximately 1.6 million cubic metres.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements", including statements with respect to the closing of the Transaction, the entering into of employment contracts with certain Employees and the ability of Conifex to be able to continue to serve its customers. Forward-looking statements are statements that address or discuss activities, events or developments that the Company 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 the Company's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of the Company or industry may be materially different from those implied by such forward-looking statements. 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 the ability of the Company and Welco to satisfactorily fulfill the conditions precedent contained in the Agreement, the Employees accepting offers of employment on terms satisfactory to the Company, the ability of Conifex to successfully integrate the acquired businesses and maintain previously established trading relationships and those additional matters described in the Company's 2010 annual management's discussion and analysis, available on SEDAR at www.sedar.com. 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 law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.