Conifex Timber Inc.

February 2012 Update

Cautionary Statement Regarding Forward-Looking Information Transaction

Certain statements in this presentation may constitute "forward-looking information" or "forward-looking statements" which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements implied by such forward-looking information. When used in this presentation, such information uses such words as "estimates", "expects", "plans", "anticipates", and other similar terminology. This information reflects the Company's current expectations regarding future developments, including the upgrading and operation of its converting facilities. Forward-looking information involves 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 or factors could cause actual results to differ materially from the results discussed in the forward-looking information. Although the forward looking information in this presentation is based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with this forward-looking information. This forward-looking information is provided as of the date of this presentation and, subject to applicable securities laws, the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

CONIFEX

Outline of Presentation

- Introduction
- Review of 2011 Results
- 2012 Targets for Lumber Segment
- Q4 2011 Challenges and 1H 2012 Remedial Actions
- Bioenergy Segment Update
- Completion of $28.5 Million Equity Financing
- Long-term Value Creation

CONIFEX

Significant Developments in 2011

- **Lumber segment**
  - Completion of major capital expenditure program at FSJ in March 2011
  - Addition of second shift at FSJ and Mackenzie in April 2011
  - Substantially increased shipments to key export markets
  - Acquisition of commodity lumber distribution business and transportation and logistics business in December 2011

- **Bioenergy segment**
  - Initiation of bioenergy project in Mackenzie BC
  - Purchase of 36 megawatt steam turbine generation set
  - Completion of Electricity Purchase Agreement ("EPA") and Load Displacement Agreement with BC Hydro
  - Commencement of project development activities including site preparation

Conifex was established four years ago as a high-performing company to pursue opportunities in the BC forestry, sawmilling and bio-energy sectors.

CONIFEX

Results in Brief

	2011					2010		
	Q1	**Q2**	**Q3**	**Q4**	**Year**	**Q3**	**Q4**	**Year**
Benchmark Price (C$)	293	232	241	244	252	230	272	263
Shipments Production	62.5 63.5	81.5 102.4	115.4 101.7	123.6 95.0	383.0 362.6	40.2 39.3	49.0 49.1	152.6 169.2
Revenues ($) EBITDA ($)	21.2 (1.3)	26.9 (0.9)	38.2 0.6	38.7 (5.2)	125.0 (6.8)	14.4 (1.8)	18.2 (2.2)	57.4 (5.7)
Export (%)	44%	83%	72%	53%	63%	49%	56%	46%
Lumber Segment EBITDA ($)	(0.3)	0.2	1.0	(4.1)	(3.2)	(0.8)	(1.2)	(3.3)

- Second shifts added to Fort St. James and Mackenzie in April 2011. Overall operating rates of 49% YTD 2011 compared to 23% YTD 2010.
- Year over year EBITDA improvement in lumber segment during 2011 despite $11 per mfbm decrease in average benchmark prices.
- Q4 2011 results hampered by poor quality logs at Mackenzie as a result of harvesting on marginal stands permitted by previous owner; reconfiguration of FSJ sawmill; steep decline in lower grade lumber prices; and seasonal production curtailments at both sites.

CONIFEX

Financial Position in Brief

	As at	
	December 31, 2010 ($millions)	**December 31, 2011 ($millions)**
Cash	26.6	12.7
Other Current Assets	25.3	34.3
Total Current Assets	51.9	47.0
Current Liabilities	9.9	19.1
Net Working Capital	42.0	27.9
Current portion of long-term debt	1.2	14.7
Long-term Assets	74.6	87.4
Non-interest bearing long-term liabilities	7.2	6.9
Long-term Debt	11.3	12.2
Shareholders' Equity	96.8	81.4

- In December 2011, we completed a financing agreement pursuant to which we issued promissory notes totalling $12 million and 325,000 share purchase warrants. The notes bear average interest rate of approximately 11% and expire December 31, 2012.
- In November, 2009, we arranged $10.0 million of convertible note financing. The notes are convertible at $8.00, have a five year term, and carry an interest rate of 2.5% for the first three years to be settled in common shares, and 10.5% payable in cash for the following two years. $5.3 million of the amount of convertible notes was recorded as long-term debt, and $5.2 million has been recorded as shareholders' equity classified as "Conversion option on convertible notes".
- In August, 2009, we secured a loan facility of $8.5 million under the Community Adjustment Fund ("CAF") loan program. The loan is at a fixed interest rate of 3.75%. The loan facility is fully drawn and quarterly repayments over five years commenced June 1, 2011.

CONIFEX

2012 Targets for Lumber Segment

OUTLOOK FOR 2012			
Variable	**2010**	**2011**	**2012 Outlook**
Shipments	152.6	383.0	Up 100 million
C$ benchmark price	$263	$252	
Lumber EBITDA / thousand	($22)	($8)	Positive

- **Key factors contributing to positive lumber segment EBITDA in 2012:**
  - Increase in shipments by approximately 100 million board feet
  - Operating rates to increase from approximately 50% to 65%
  - Elimination of non-recurring costs incurred during Q4 2011
  - Installation of automated grading system at Mackenzie in April 2012
  - Lower marketing and distribution costs

CONIFEX

Bioenergy Segment Update

- **Conifex expects to spend approximately $60 million on Mackenzie bioenergy cogeneration project to:**
  - Upgrade the existing power island infrastructure
  - Replace the existing 13.8 MW turbine with a new 36 MW turbine, and
  - Supply renewable green electricity to over 20,000 British Columbia residences.

- **Key project attributes**
  - The power produced will meet Conifex's electricity needs at Mackenzie and be sold to BC Hydro under a 20-year EPA
  - Commercial operation date is expected to be mid-2013
  - Use of existing infrastructure provides for low capital cost and attractive return

CONIFEX

Completion of Equity Financing

- **Close of $28.5 million private placement financing on February 16, 2012**
  - Bought deal brokered placement of 3,860,700 common shares of Conifex Timber Inc. including exercise of over-allotment option (the "Brokered Placement") at $7.00 per share
  - Gross proceeds of approximately $27 million from Brokered Placement
  - Concurrent completion of non-brokered private placement of 214,286 common shares at $7.00 per share for gross proceeds of $1.5 million

- **Use of proceeds to include**
  - Critical path expenditures on bioenergy cogeneration project until project financing is secured upon receipt of BC Utilities Commission approval
  - Installation of automated grading system at Mackenzie
  - Strengthen equity base and corporate liquidity ahead of securing project financing and lumber segment working capital loan facility
  - Expiry of short-term $12 million promissory note in December 2012

CONIFEX

Long-Term Value Creation

Conifex intends to create value over the long-term by optimizing revenue from the wood fibre under our control and direction by:

- Focusing on higher grade lumber products for targeted markets to secure industry leading mill net prices
- Constructing our Mackenzie bioenergy cogeneration project with target EBITDA approaching $1 million per month beginning mid-2013
- Restarting our presently idled Site I sawmill at Mackenzie with production potential of an additional 215 million board feet per year
- Pursuing opportunities provided by emerging technologies in the bioenergy, biofuel and bio-product fields

Our objective is to build Canada's premier forest company.

CONIFEX

Appendix 1: About Conifex Timber Inc.

Corporate office	#110 – 2925 Virtual Way, Vancouver BC V5M 4X5
Trading symbol	"CFF" on TSX Venture Exchange
Regional office	#100 – 2700 Queensway Street, Prince George BC
Manufacturing facilities	Fort St. James BC – annual production capacity of approximately 310 million board feet Mackenzie BC – annual production capacity of 220 million board feet at Site II sawmill and 215 million board feet at Site I sawmill (currently idled)
Forestry licences	Fort St. James: one replaceable forest licence with annual allowable cut ("AAC") of 640,000 cubic metres within the Prince George timber supply area ("TSA"); Mackenzie: one replaceable forest licence with AAC of 932,500 cubic metres within the Mackenzie TSA
Primary products	WSPF dimension lumber in 8 feet to 20 feet lengths. Grades include J-grade, Select, #2 & Btr, #3 and Economy
Primary markets	China, USA, Canada and Japan
Bioenergy project	Planned development at Mackenzie BC adjacent to existing sawmill complex; completed plant to produce approximately 230 gigawatt hours per year; commercial operation date expected to be mid-2013
Number of employees	474

CONIFEX

Appendix 2: Conifex Timber Inc. Significant Operational Developments

August 2008	Completed acquisition of Fort St. James (FSJ) forestry and sawmilling assets including forestry licence with allowable annual cut (AAC) of 640,000 cubic metres.
March 2009	Commenced operations of FSJ mill on a one-shift basis.
March 2010	Commenced $30 million capital expenditure program at FSJ.
June 2010	Completed acquisition of Mackenzie Assets including two sawmill complexes, forestry licence with AAC of 932,500 cubic metres, power generation assets, and decommissioned paper mill.
November 2010	Commenced operations of Site II Mackenzie mill on a one-shift basis.
Q1 2011	Added key members to management team and opened Prince George regional office. Announced initiation of bioenergy generation project at Mackenzie and purchase of STG. Completed capital expenditure program at FSJ. Commenced second shifts at FSJ mill and at Site II Mackenzie mill.
June 2011	Completed EPA and LDA with BC Hydro (amended in October 2011), currently awaiting approval by the B.C. Utilities Commission.
October 2011	Purchased previously leased property in Mackenzie.
December 2011	Completed acquisition of commodity lumber distribution and transportation businesses based in Vancouver BC.

CONIFEX

Appendix 2: Conifex Timber Inc. Significant Financial Developments

Q3 2008	Completed private placement for gross proceeds of approximately $21.6 million with a portion of the proceeds used to purchase the FSJ assets.
August 2009	Secured $8.5 million loan facility under the Community Adjustment Fund loan program sponsored by Northern Development Initiative Trust. The loan facility finances capital expenditures at FSJ.
December 2009	Issued $10 million convertible subordinated notes maturing in December 2014.
June 2010	Completed private placement for gross proceeds of approximately $89 million. Proceeds were used for the purchase of the Mackenzie Assets, capital expenditures at FSJ and general corporate purposes. Shares of Conifex Timber Inc. begin trading on the TSX Venture Exchange after completion of qualifying transaction. Trading symbol "CFF".
November 2011	Completion of $12 million senior secured financing agreement.
February 2012	Completion of $28.5 million equity financing

CONIFEX TIMBER INC.
#110 – 2925 Virtual Way
Vancouver, BC Canada V5M 4X5

For further information, please contact:
Ken Shields, CEO P: 778-331-8685 E: ken.shields@conifex.com
Yuri Lewis, CFO P: 778-331-8687 E: yuri.lewis@conifex.com

CONIFEX

Conifex Power Inc.

February 2012 Update