



## CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

### CONIFEX BIOENERGY PROJECT

Vancouver, British Columbia, March 8, 2011 – Conifex Timber Inc. ("**Conifex**" or the "**Company**") (TSX-V: CFF) today announced that it has initiated an approximately \$45 million (Cdn.) bioenergy generation project at its Mackenzie sawmill site, scheduled for commercial production of electricity in the summer of 2012 (the "Bioenergy Project"). In connection with the Bioenergy Project, Conifex has entered into arrangements with Dresser-Rand Canada, Inc. for the manufacture and purchase of a 36 MW steam turbine generation set (the "Turbine"). The total cost of the Turbine and ancillary equipment and services is approximately U.S. \$10.5 million. The Bioenergy Project is expected to generate approximately 230 GWh of net energy per year.

Conifex is in discussions with BC Hydro in connection with a proposed energy purchase agreement and with respect to establishing energy savings arrangements at its Mills. Such agreement and arrangements, if completed, will be subject to regulatory approval.

The biomass power generation segment will complement Conifex's existing woodland operations and lumber manufacturing business. Waste fibre from Conifex's sawmilling and timber harvesting operations will be used to fuel the bioenergy plant, which in turn will supply power to its sawmills and for potential sale to BC Hydro. In addition, the extraction of the Turbine has been sized to accommodate future lumber drying requirements of the Mackenzie operations.

Mr. Ken Shields, President and Chairman, commented: "We are very excited to add clean energy generation to our timber harvesting and lumber manufacturing operations. The development of bioenergy in conjunction with our traditional operations will diversify existing revenue sources, counteract some of the volatility inherent in the commodity lumber sector, and provide additional stable employment opportunities within the community of Mackenzie."

As no agreement has yet been reached, and as any such agreement would be subject to regulatory approval, there can be no assurance that the Bioenergy Project will proceed as currently described or at all. In order to provide necessary flexibility, the Turbine acquisition agreement contains cancellation rights in favour of Conifex that may be exercised if the Bioenergy Project does not proceed.

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

#### **About Conifex Timber Inc.**

Conifex and its subsidiaries' 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 sawmill situated in Fort St. James, British Columbia was purchased in August 2008 and commenced operations on a one-shift basis in March 2009. At this mill, Conifex intends to move to a two-shift operation later this month. 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 intends to operate this mill on a two-shift basis commencing in the second quarter of 2011. 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, all 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". 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", "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 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 of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including those matters described in Schedule "A" to the filing statement of the Company dated May 25, 2010 under the heading "Risk Factors", available on SEDAR at [www.sedar.com](http://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.

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