



CONIFEX TIMBER INC.

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Conifex Announces Letter of Intent to Acquire Lumber Distribution and Transportation Businesses

September 6, 2011, Vancouver, B.C. - Conifex Timber Inc. ("Conifex" or the "Company") (TSX-V: CFF) announced today that it has entered into a non-binding letter of intent (the "LOI") 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"). Welco and Navcor are both B.C. private companies that have provided lumber marketing and logistics services to Conifex on a contract basis since Conifex commenced production at its Fort St. James sawmill complex in March of 2009.

Pursuant to the terms of the LOI, the proposed Transaction includes the purchase of all assets related to the lumber distribution business, except for certain working capital items related to Welco's commodity lumber segment, the assumption of the existing office lease and employment agreements with key employees. Welco will retain ownership of its corporate name, its specialty lumber business and its interest in Marathon Forest Products. Conifex intends to operate its lumber distribution business under a newly formed company and maintain trading relationships previously established by its commodity lumber sales group. Additionally, the LOI provides that Conifex will acquire all of the issued and outstanding shares of Navcor upon closing.

Under the terms of the proposed Transaction, Conifex shall pay an aggregate of \$1.525 million to Welco, as well as payment of certain commissions to Welco for a three-year period following closing.

Conifex CEO Ken Shields remarked: "The team proposed to come over to Conifex have done a superb job arranging products sales and deliveries to the three largest softwood lumber import markets in the world -- the US, China, and Japan. We are pleased that the proposed Transaction will enable us to continue to serve our customers with the team they know and respect."

Mr. Shields added: "We have the highest regard for Welco, and are confident they will exceed customer expectations in the businesses Welco will retain, just as the service Welco provided Conifex exceeded our expectations."

The proposed Transaction remains subject to receipt of applicable regulatory approvals and the execution of definitive documentation, which will include customary closing conditions. The Transaction is expected to close by December 31, 2011. There is no assurance that the proposed Transaction will be completed on the terms contemplated in the LOI or at all.

Issuance of Common Shares

Conifex announced today that it shall issue an aggregate of 11,281 common shares at a deemed price of \$8.50 per common share pursuant to retirement arrangements with a current employee. The common shares are subject to a four-month hold period from date of issue.

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. 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 segments 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 is expected to be operating at approximately 70% of capacity by the end of the third 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. 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 completion of the proposed Transaction. 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 inability of the Company and Welco to agree on definitive Transaction documentation, the receipt of necessary regulatory approvals and those 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.