



CONIFEX TIMBER INC.

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CONIFEX TIMBER INC. ANNOUNCES COMPLETION OF AN ENERGY PURCHASE AGREEMENT AND A LOAD DISPLACEMENT AGREEMENT WITH BC HYDRO IN CONNECTION WITH ITS MACKENZIE BIOENERGY PROJECT

Vancouver, British Columbia, June 13, 2011 – Conifex Timber Inc. ("**Conifex**" or the "**Company**") (TSX-V: CFF) today announced that it has finalized an Electricity Purchase Agreement (the "**EPA**") and a Load Displacement Agreement (the "**LDA**"), through a subsidiary company, with BC Hydro in connection with the Company's planned Mackenzie, British Columbia bioenergy facility (the "**Bioenergy Facility**"). The bioenergy generation project is currently estimated to cost approximately \$50 million (Cdn.) to complete. The planned capital expenditures are to be utilized for the upgrade of the existing power island infrastructure and the purchase of a 36 megawatt steam turbine generator set. The Bioenergy Facility is currently expected to generate approximately 230 gigawatt hours ("**GWh**") of net energy per year, enough to power 24,000 B.C. homes annually.

Under the EPA, the Company will supply a minimum of approximately 200 GWh of electrical energy annually to BC Hydro over a 20-year term with deliveries currently estimated to commence in approximately Q3 2012. The EPA provides for a fixed price for energy delivered to BC Hydro. Revenues from the project to Conifex Timber Inc.'s bioenergy segment are expected to exceed \$20 million annually when the bioenergy facility is operating at design capacity.

Under the LDA, the Company is required to deliver 30 GWh of electrical energy annually to BC Hydro over a 20-year term paralleling that of the EPA. The energy delivered to BC Hydro under the LDA shall offset and supply the energy requirements of the Company's sawmills located in Mackenzie over the term of the LDA. In exchange for the Company agreeing to supply such energy for the sawmills, BC Hydro shall provide incentive funding to be utilized towards the completion of the Bioenergy Facility.

The transactions contemplated by the EPA and the LDA are subject to the EPA being accepted by the British Columbia Utilities Commission as an energy supply contract.

Mr. Ken Shields, President and Chairman, commented: "I am pleased that we were able to successfully conclude our negotiations with BC Hydro. The effect of the agreement is to augment and stabilize Conifex revenues, and concurrently expand and stabilize the employment base in Mackenzie B. C., the Province's most forest dependent community. We expect employment opportunities to be expanded not only from the creation of jobs directly related to the project but also because this removes one of the impediments to the 2012 restart of our Site I Mackenzie mill."

The Bioenergy Facility will create approximately 80 jobs during the 18-month construction period, and over 20 new jobs upon completion. The feedstock from the Bioenergy Facility will be sourced from a portion of the residuals and former waste products produced at Conifex's lumber manufacturing and log harvesting operations.

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". 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. 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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