



CONIFEX TIMBER INC.

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CONIFEX ANNOUNCES COMPLETION OF PREVIOUSLY ANNOUNCED ACQUISITION OF LUMBER DISTRIBUTION AND TRANSPORTATION BUSINESS AND RESIGNATION OF DIRECTOR

Vancouver, British Columbia, January 3, 2012 – Conifex Timber Inc. ("**Conifex**" or the "**Company**") (TSX-V: CFF) today announced that it has, through a wholly-owned subsidiary, completed its previously announced acquisition of the commodity lumber distribution business previously owned and operated by Welco Lumber Corp. and the transportation and logistics business previously owned and operated by Navcor Transportation Services Inc. The Company paid an aggregate purchase price of \$1,576,476 plus the book value of certain specified inventory on the date of closing, and has agreed to pay certain commissions for a period of three-years thereafter.

Conifex also announced that Brad Johansen has resigned as a director of the Company effective December 31, 2011 in order to pursue other interests.

Ken Shields, Chief Executive Officer of Conifex, commented: "The guidance and advice Brad Johansen provided the Conifex Board of Directors in its formative period was most insightful and greatly appreciated by all of us at the Company. We thank Mr. Johansen for his commitment and contribution to the Company during his tenure and respect his decision to resign so he can focus on other areas of interest."

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, value added lumber finishing, marketing and distribution. 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.

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.