



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Second Quarter 2011 Results

August 18, 2011, Vancouver, B.C. - Conifex Timber Inc. ("Conifex" or the "Company") (TSX-V: CFF) today reported a net loss of \$3.6 million or \$0.24 per share and negative EBITDA of \$0.8 million on sales of \$26.9 million for the second quarter ended June 30, 2011. EBITDA improved by \$0.5 million compared to the previous quarter and \$0.1 million compared to the same quarter last year. The Company added a second shift at its Fort St. James and Site II Mackenzie operations at the end of March 2011. Overall operating rates based on current total estimated production capacity improved to approximately 55% during the current quarter compared to 34% in the previous quarter and 22% for the same quarter last year.

Current quarter revenue from lumber shipments increased by 18% compared to the previous quarter and reflects a 30% increase in shipment volumes offset by a 12% decline in average unit sales prices. Average WSPF 2x4 #2 & Btr prices adjusted for a 2% appreciation of the Canadian dollar compared to the U.S. dollar declined quarter over quarter by 21%. The Company achieved higher mill nets in the current quarter than would be indicated by the quarter over quarter decline in benchmark prices due to an improved product and grade mix, a robust order file entering the quarter, and less volatility in prices in export markets compared to the North American market.

The Company shipped a record 83% of total second quarter shipments to export markets compared to 44% in the previous quarter and 41% in the same quarter last year. The Company's primary export markets are China and Japan. Shipments to export markets during the first six months of 2011 represented 66% of total shipments compared to 36% for the first six months of 2010.

Current quarter lumber revenue increased by 105% compared to the second quarter of 2010 with most of the increase attributable to higher shipment volumes.

Lumber production during the second quarter of 2011 totalled 102.4 million board feet, an increase of approximately 61% over the previous quarter and 148% over the second quarter of 2010. Unit conversion costs declined by approximately 23% compared to the previous quarter and 8% compared to the same quarter last year. The improvement was largely attributable to increased operating rates during the current quarter.

Conifex's key priority in the short term continues to be to achieve positive EBITDA from its lumber operations. Management remains focused on improving margins by optimizing value from the fibre harvested and reducing cash conversion costs.

In its bioenergy segment, the Company is undertaking activities to progress the development of its planned bioenergy facility at its Mackenzie sawmill site. The Company previously announced the completion of an Electricity Purchase Agreement and Load Displacement Agreement with BC Hydro in June 2011.

Earnings Release Call

There will be a conference call held by the Company on Friday, August 19, 2011 at 8:00 AM (Pacific time) to discuss the second quarter financial and operating results. To participate in the call, please dial 416-695-6616 or toll free 800-355-4959. The call will also be available on instant replay access until September 26, 2011 by dialling 905-694-9451 or 800-408-3053 and entering participant pass code 6307115.

Common Share Issuance

Conifex also announced today that it shall issue an aggregate of 7,148 common shares at a deemed price of \$9.50 per common share pursuant to severance arrangements with a former employee. The common shares are subject to a four-month hold period from the 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". 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 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.