



CONIFEX TIMBER INC.

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CONIFEX ANNOUNCES \$25.0 MILLION FINANCING

Vancouver, British Columbia, February 1, 2012 – Conifex Timber Inc. (“**Conifex**” or the “**Company**”) (**TSX-V: CFF**) today announced that it has entered into an agreement with Raymond James Ltd. pursuant to which Raymond James Ltd. and a syndicate of underwriters, including TD Securities Inc., CIBC and Salman Partners Inc. (collectively, the “**Underwriters**”), have agreed to purchase on a bought deal private placement basis 3,357,143 common shares (the “**Shares**”) of the Company from treasury, with an over-allotment option to purchase up to an additional 503,571 Shares, exercisable in whole or in part for a period up to closing of the offering to cover over-allotments and for market stabilization purposes, if necessary (the “**Brokered Placement**”).

The purchase price of \$7.00 per Share (the “**Issue Price**”) will result in gross proceeds of approximately \$23.5 million assuming that the over-allotment option is not exercised, and approximately \$27.0 million if the over-allotment option is fully exercised.

The Company also announced that it intends to undertake a non-brokered private placement of up to 214,286 Shares at the Issue Price (the “**Non-Brokered Placement**”) for aggregate gross proceeds of approximately \$1.5 million. It is currently contemplated that the CEO and other individual insiders of the Company will participate in the Non-Brokered Placement.

Closing of the two private placements is expected to occur on or about February 16, 2012 and is subject to the receipt of all regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange. Closing of the two private placements is not conditional on each other, and the two private placements may occur on separate dates.

The Company intends to use net proceeds from the Brokered Placement and Non-Brokered Placement to fund capital expenditures and for general corporate purposes.

The Company has agreed to pay the Underwriters, in aggregate, a cash fee equal to 5.0% of the gross proceeds of the Brokered Placement.

The Brokered Placement is being made in all provinces of Canada pursuant to applicable exemptions and in the United States in accordance with certain exemptions under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and such other jurisdictions as may be agreed between the Company and the Underwriters, and is subject to the receipt of all required regulatory and stock exchange approvals. The securities offered pursuant to the private placement have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to or for the account of a U.S. person unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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.

Forward-Looking Statements

Certain statements in this news release may constitute “forward-looking statements”, including statements with respect to the private placements described herein. 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 ability of the Company to satisfactorily negotiate and execute definitive documentation, to fulfill any conditions precedents contained in the definitive documentation, the ability to obtain all necessary regulatory and stock exchange approvals, and those additional 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.