



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Fourth Quarter 2011 Results

February 21, 2012, Vancouver, B.C. - Conifex Timber Inc. ("Conifex" or the "Company") (TSX-V: CFF) today reported a net loss of \$7.5 million or \$0.49 per share for the fourth quarter of 2011 compared to a net loss of \$3.9 million or \$0.26 per share for the fourth quarter of 2010. The net loss for the year ended December 31, 2011 was \$16.9 million or \$1.11 per share compared to a net loss of \$10.8 million or \$1.02 per share for the year ended December 31, 2010.

EBITDA in the fourth quarter of 2011 was negative \$5.2 million compared to positive \$0.6 million in the third quarter of 2011 and negative \$2.2 million in the fourth quarter of 2010. EBITDA in the lumber segment was negative \$4.1 million in the fourth quarter of 2011, compared to positive \$1.0 million in the previous quarter and negative \$1.2 million in the fourth quarter of 2010. The variance in lumber segment EBITDA between the fourth and third quarters of 2011 was attributable to a decline in mill net price realizations, an increase in conversion costs and variance in earnings from lumber future derivatives.

The decline in mill net price realizations was primarily attributable to the steep decline in prices of lower grade lumber during the fourth quarter of 2011. Conversion costs were adversely impacted by non-recurring costs related to an atypical log profile converted at the Company's Mackenzie facility, reconfiguration of the Fort St. James ("FSJ") sawmill in late December and the planned seasonal curtailments at both locations.

Lumber shipments for the fourth quarter of 2011 totalled 124 million board feet, an increase of 7% over the previous quarter and 250% over the same quarter last year. Revenues from lumber sales totalled \$34 million for the both the fourth and third quarters of 2011 compared to \$16 million for the fourth quarter of 2010 with the increase primarily attributable to the higher operating rates.

Total lumber production during the fourth quarter of 2011 was 95 million board feet compared to 102 million board feet in the previous quarter and 49 million board feet during the same quarter last year. The operating rate during the fourth quarter of 2011 represented approximately 50% of overall annualized production capacity on a two-shift basis.

The Company expects to more fully realize in its operating results for 2012 the benefits of initiatives and developmental activities undertaken in 2011. Key developments include the internalization of its marketing, sales and logistics capabilities through recently completed acquisitions, additions of second shifts at both of its operating sawmills in Q2 2011, reconfiguration of its FSJ sawmill in late December and an upcoming capital project at its Mackenzie Site II facility.

Earnings Release Call

There will be a conference call held by the Company on Wednesday, February 22, 2012 at 8:00 AM (Pacific time) to discuss the fourth 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 March 31, 2012 by dialling 905-694-9451 or 800-408-3053 and entering participant pass code 8116753.

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 65% of capacity on an annualized basis by the end of the first quarter of 2012. 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 the 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.

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