



CONIFEX TIMBER INC.

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CONIFEX ANNOUNCES CLOSING OF BOUGHT DEAL FINANCING

Vancouver, British Columbia, December 18, 2012 – Conifex Timber Inc. ("Conifex" or the "Company") (TSX-V: CFF) is pleased to announce that it has completed its previously announced bought deal offering (the "**Private Placement**") of 1,329,566 units of the Company (the "**Units**"), which includes the exercise of the underwriters' over-allotment option, resulting in aggregate gross proceeds of approximately \$9.3million. The Private Placement was conducted on a bought deal private placement basis by Salman Partners Inc. and a syndicate of underwriters, including Raymond James Ltd., RBC Dominion Securities Inc. and CIBC World Markets Inc. (collectively, the "**Underwriters**").

Each Unit consists of one common share of the Company (each, a "**Common Share**") and one-half one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**") at a subscription price of \$7.00 per Unit. Each Warrant will entitle the holder thereof to acquire a Common Share at an exercise price of \$9.00 at any time within 24 months from the closing date. All Common Shares and Warrants issued in connection with the Private Placement (and any Common Shares issued upon the exercise of the Warrants prior to the completion of the hold period) are subject to a four-month hold period, which expires on April 19, 2013.

In connection with the Private Placement, the Company paid the Underwriters a cash fee in the amount of 5% of the gross proceeds from the Private Placement.

Conifex intends to use the net proceeds from the Private Placement for working capital purposes.

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, 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.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements", including statements with respect to the Private Placement 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 to obtain all necessary regulatory and stock exchange approvals and those matters described in the Company's 2012 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.

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